

PIVOT FINANCIAL INC.

-AND-

TIMIA CAPITAL CORP.

-AND-

PIVOT FINANCIAL I LIMITED PARTNERSHIP

ASSET PURCHASE AGREEMENT

DATED SEPTEMBER 9, 2021

TABLE OF CONTENTS

ARTICLE 1 INTERPRETATION	2
1.1 Definitions.....	2
1.2 Certain Rules of Interpretation.....	14
1.3 Virtual Data Room.....	16
1.4 Entire Agreement.....	16
1.5 Applicable Law.....	16
1.6 Accounting Principles.....	16
1.7 Schedules.....	16
ARTICLE 2 PURCHASE AND SALE	17
2.1 Purchase and Sale of the Purchased Assets	17
2.2 Excluded Assets.....	18
2.3 Assumption of Liabilities.....	19
2.4 Excluded Liabilities	19
2.5 Closing.....	20
2.6 Non-Assignable Rights.....	20
ARTICLE 3 PURCHASE PRICE	21
3.1 Payment at Closing.....	21
3.2 Tax Rollovers.....	22
3.3 Securities Matters.....	23
3.4 Investor Rights and Voting Agreement	23
ARTICLE 4 REPRESENTATIONS AND WARRANTIES OF THE VENDOR	23
4.1 Corporate Organization, Standing and Qualifications.....	23
4.2 Authorization	24
4.3 Consents and Approvals; No Violations.....	24
4.4 Books and Records	24
4.5 Financial Statements; Certain Financial Information.....	25
4.6 Accounts Payable and Accounts Receivable	26
4.7 Interests in Suppliers, Customers, Etc.; Affiliate Transactions	26
4.8 Absence of Certain Changes or Events.....	27
4.9 Leased Property	29
4.10 Title to Purchased Assets.....	29
4.11 Contracts	29
4.12 Collateral.....	30
4.13 Intellectual and Industrial Property.....	30
4.14 Software	32
4.15 Equipment, Office Equipment and Vehicles	33
4.16 Insurance.....	33
4.17 Sufficiency and Location of Assets	34
4.18 Taxes.....	34
4.19 Non-Resident	34
4.20 Employment Matters.....	34
4.21 Pension and Benefit Matters	35

4.22	Compliance with Laws; Governmental Authorizations.....	35
4.23	Litigation.....	38
4.24	Investment Canada.....	39
4.25	Competition Act; Value of Assets and Revenues in Canada.....	39
4.26	Brokers.....	39
4.27	Truth and Accuracy of Schedules.....	39
ARTICLE 5 REPRESENTATIONS AND WARRANTIES OF THE PURCHASERS.....		39
5.1	Representations and Warranties of TIMIA.....	39
5.2	Representations and Warranties of PFILP.....	49
ARTICLE 6 COVENANTS OF THE VENDOR AND THE PURCHASERS.....		51
6.1	Conduct of Business of the Vendor.....	51
6.2	Conduct of Business of the Purchasers.....	53
6.3	TSXV Approval.....	54
6.4	Listing of Securities.....	54
6.5	Retraction.....	55
6.6	Examinations and Investigations.....	55
6.7	Confidentiality.....	56
6.8	Disclosure of Transaction.....	57
6.9	Commercially Reasonable Efforts.....	57
6.10	Representations, Warranties and Conditions.....	58
6.11	Discharge Liens.....	58
6.12	Non-Solicitation.....	59
6.13	Change of Name.....	59
6.14	Notification of Certain Matters.....	59
6.15	Products and Payments Received by the Vendor.....	60
6.17	Collateral.....	60
ARTICLE 7 EMPLOYMENT, PENSION AND BENEFIT MATTERS.....		61
7.1	Transferred Employees.....	61
7.2	Vendor's Obligations.....	61
ARTICLE 8 SURVIVAL AND INDEMNIFICATION.....		61
8.1	Survival of Vendor's Representations and Warranties.....	61
8.2	Survival of Purchasers' Representations and Warranties.....	61
8.3	Survival of Covenants.....	62
8.4	Indemnification.....	62
8.5	Limitations on Amount of Indemnification.....	62
8.6	Time Limits for Claims.....	63
8.7	Other Limitations on Liability.....	64
8.8	Notice of Claim.....	65
8.9	Defence of Third Party Claims.....	65
8.10	Assistance for Third Party Claims.....	66

8.11	Settlement of Third Party Claims	66
8.12	Direct Claims	67
8.13	Arbitration.....	67
8.14	Tax Treatment.....	68
8.15	Duty to Mitigate.....	68
8.16	Foreseeability of Losses.....	68
8.17	Exclusive Remedy	68
	
ARTICLE 9 CONDITIONS OF CLOSING IN FAVOUR OF THE PURCHASERS.....		69
9.1	Conditions for the Benefit of the Purchaser.....	69
ARTICLE 10 CONDITIONS OF CLOSING IN FAVOUR OF THE VENDOR.....		73
10.1	Conditions for the Benefit of the Vendor	73
ARTICLE 11 MUTUAL CONDITIONS OF CLOSING.....		75
11.1	Mutual Conditions	75
11.2	Waiver of Conditions.....	76
ARTICLE 12 TERMINATION AND ABANDONMENT		76
12.1	Termination Rights	76
12.2	Effect of Exercise of Termination Rights	77
ARTICLE 13 GENERAL.....		77
13.1	Notices	77
13.2	Waiver.....	78
13.3	Severability	78
13.4	Assignment and Enurement	79
13.5	Expenses	79
13.6	Further Assurances.....	79
13.7	Jurisdiction.....	79
13.8	Service.....	79
13.9	Public Notices	80
13.10	Third Party Beneficiaries	80
13.11	No Strict Construction	80
13.12	Waiver of Jury Trial.....	81
13.13	Language.....	81
13.14	Execution by Electronic Transmission	81
13.15	Counterparts.....	81
SCHEDULE 3.1(B).....		83
SCHEDULE 3.4.....		84
SCHEDULE 8.18.....		85

ASSET PURCHASE AGREEMENT

THIS AGREEMENT dated effective September 9, 2021 (the “**Effective Date**”)

BETWEEN:

TIMIA CAPITAL CORP., a company incorporated under the *Business Corporations Act* (British Columbia) and having its registered and records office at Suite 2600, 1066 W. Hastings Street, Vancouver, BC V6E 3X1

(“**TIMIA**”)

AND:

PIVOT FINANCIAL I LIMITED PARTNERSHIP, a limited partnership formed under the *Limited Partnerships Act* (Ontario) by and through its general partner **2862454 ONTARIO INC.**, a corporation incorporated under the *Business Corporations Act* (Ontario) and having its records office at 20 Great Gulf Drive, Suite 218, Vaughan, ON L4K 0K7

(“**PFILP**” and together with **TIMIA**, the “**Purchasers**” and each a “**Purchaser**”)

AND:

PIVOT FINANCIAL INC., a corporation amalgamated under the *Business Corporations Act* (Ontario) and having its registered and records office at 25 Price Street, Toronto, ON M4W 1Z1

(the “**Vendor**”)

WHEREAS:

- A. the Vendor carries on the business of management and administration of private lending businesses (the “**Purchased Business**”); and
- B. the Vendor has agreed to sell, convey, assign, transfer and deliver to **PFILP** and **PFILP** has agreed to purchase, acquire and accept from the Vendor, substantially all of the assets, property and undertaking of and relating to the **Purchased Business**, on the terms and subject to the conditions of this Agreement.

NOW THEREFORE, in consideration of the respective covenants and agreements contained in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

Throughout this Agreement, except as otherwise expressly provided, the following words, terms and expressions shall have the following meanings:

“Accounting Records” means the books of account, accounting records and other financial information of the applicable Person or any of its Affiliates pertaining or relating to the Purchased Business, the Purchased Assets and/or the Assumed Liabilities (whether in written, printed, electronic or computer printout form, or stored electronically, digitally or on computer related media);

“Accounts Payable” means all accounts payable of the Vendor incurred or accrued in the ordinary course of the Purchased Business;

“Accounts Receivable” means all accounts, notes, bills and other receivables, trade accounts and trade receivables, insurance claims and other amounts owing to the Vendor relating to the Purchased Business, together with any unpaid interest or fees accrued thereon;

“Acquisition Transaction” has the meaning given to it in Section 6.12;

“Affiliate” means, with respect to any Person, any other Person that directly or indirectly controls, is controlled by, or is under common control with that other Person. For purposes of this definition, a Person “controls” another Person if that Person possesses, directly or indirectly, the power to direct the management and policies of that other Person, whether through ownership of voting securities, by contract or otherwise and “controlled by” and “under common control with” have similar meanings;

“Agreement”, “this Agreement”, “the Agreement”, “hereof”, “herein”, “hereto”, “hereby”, “hereunder” and similar expressions mean this asset purchase agreement dated as of the Effective Date between the Parties, including all schedules and all instruments supplementing, amending, modifying, restating or otherwise confirming this Agreement. All references to “Articles”, “Sections” and “Schedules” mean and refer to the specified article, section and schedule of this Agreement;

“Applicable Laws” means any and all applicable laws, statutes, rules, regulations, ordinances, codes, guidelines, policies, advisories, notices, treaties, directions, requirements and Orders of any Governmental Authority;

“arm’s length” has the meaning given to it in the Tax Act;

“**Associate**” where used to indicate a relationship with any Person, means:

- (a) any company of which such Person owns, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all voting securities of the company for the time being outstanding;
- (b) any partner of that Person;
- (c) any trust or estate in which such Person has a substantial beneficial interest or as to which such Person serves as a trustee or in a similar capacity;
- (d) any relative of that Person who resides in the same home as such Person;
- (e) any Person who resides in the same home as that Person and to whom that Person is married or with whom that Person is living in a conjugal relationship outside marriage; or
- (f) any relative of a Person mentioned in clause (e) who has the same home as that Person;

“**Assumed Contracts**” has the meaning given to it in Section 2.1(e);

“**Assumed Liabilities**” has the meaning given to it in Section 2.3;

“**Books and Records**” means all material books and records of the applicable Person or any of its Affiliates, including without limitation those pertaining to or relating to the Purchased Business, the Purchased Assets and/or the Assumed Liabilities, as applicable, including financial, corporate, operations and sales books, records, lists of clients and suppliers, books of account, sales and purchase records, sales and inventory data, equipment maintenance data, sales promotional data, advertising materials, cost and pricing information, Accounting Records, business reports, plans and projections and all other documents, surveys, plans, files, records, correspondence, and other data and information, financial or otherwise, including all data and information stored on computer-related or other electronic media and technical records (both current and historical);

“**Business Day**” means any day which is not a Saturday, a Sunday or a day observed as a statutory or civic holiday under the laws of the Province of Ontario, the Province of British Columbia or the federal laws of Canada applicable in the Province of Ontario or the Province of British Columbia, as applicable, on which the principal commercial banks in the City of Toronto, Ontario or Vancouver, British Columbia, as applicable, are open for business;

“**Cash**” means all of the cash and cash equivalents relating to the Purchased Business;

“**CASL**” means *An Act to promote the efficiency and adaptability of the Canadian economy by regulating certain activities that discourage reliance on electronic means of carrying out commercial activities, and to amend the Canadian Radio-television and*

Telecommunications Commission Act, the Competition Act, the Personal Information Protection and Electronic Documents Act and the Telecommunications Act, SC 2010, c 23, or any successor thereof as amended from time to time, and includes any regulations and practice guidelines issued by any Governmental Authority in respect thereof and any other Applicable Laws governing spam or electronic communications, as applicable;

“**Claim**” means any claim, demand, complaint, assessment or reassessment, charge, administrative monetary penalty or Legal Proceeding;

“**Claimed Amounts**” means all rights, claims, credits, causes of action or rights of set-off against third parties relating to the Purchased Business, including, to the extent transferable, claims pursuant to any manufacturer’s warranties, representations and Guarantees made by the suppliers, manufacturers and other third parties in connection with products or services purchased by or furnished to the Vendor in carrying on the Purchased Business;

“**Closing**” means the completion of the sale to and purchase by PFILP of the Purchased Assets and the completion of all other transactions contemplated by this Agreement that are to occur at the same time as the sale and purchase of the Purchased Assets;

“**Closing Date**” means three Business Days following the date upon which all conditions to Closing set forth herein have been satisfied or waived (except those that by their nature, are to be satisfied on the Closing Date), or such other date as may be agreed by the Parties;

“**Closing Time**” means 12:00 p.m. Toronto time on the Closing Date or such other time on such date as the Parties may agree in writing as the time at which the Closing shall take place;

“**Collateral**” means all collateral, including without limitation: (a) all Cash, security deposits and earned deposits; (b) all Accounts, Goods (including Inventory, Equipment and motor vehicles but excluding Consumer Goods), Intangibles, Chattel Paper, Documents of Title, Instruments, Securities and all other Investment Property, Money, and other contract rights or rights to the payment of money; (c) all Proceeds and products of each of the foregoing, including all Proceeds of any insurance, indemnity, compensation for loss or damage, warranty or guarantee payable to the Vendor from time to time with respect to any of the foregoing; (d) all books and records relating to the foregoing, including in any form or medium; (e) all supporting obligations relating to the foregoing; (f) all additions, accessions to, substitutions and replacements for, and rents, profits and products of, each of the foregoing; provided however that the last day of the term of any lease, verbal or written, or any agreement to lease, now held or hereafter acquired is hereby excepted, all of the capitalized terms used in this definition of “Collateral” shall have the meaning given to them in the PPSA, as amended from time to time, including amendments thereto and any act substituted therefor and amendments thereto, provided always that any reference herein to “Collateral” shall, unless the context otherwise requires, be deemed a reference to “Collateral or any part thereof”;

“Commercial Electronic Message” has the meaning specified in CASL;

“Confidential Information” means all trade secrets, know-how and other confidential or proprietary information and data of or relating to the Vendor or the Purchased Business;

“Consent” means: (a) any notice required to be given to any Person, other than any Governmental Authority; and (b) any approval, consent, permit, waiver, ruling or exemption required to be obtained from any Person other than a Governmental Authority;

“Consideration Units” has the meaning specified in Section 3.1(a);

“Contract” means any oral or written contract, agreement, instrument or other commitment to which the applicable Person is a party or is otherwise bound, including those listed or described in any Schedule to the Disclosure Letter;

“COVID-19” means the novel coronavirus disease, also known as severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2), and each strain thereof;

“Damages” means, whether involving a Direct Claim or Third Party Claim, any and all damages, losses, Liabilities, interest, fines, penalties or assessments and any judgments or settlements relating thereto, including any reasonable professional fees and reasonable costs incurred in investigating, defending or pursuing any of the foregoing or any proceeding relating to the foregoing, excluding special, indirect, exemplary, consequential or punitive damages except to the extent awarded by a court of competent jurisdiction in connection with a Third Party Claim;

“Debt Instrument” means any bond, debenture, promissory note, trust indenture, loan agreement or other agreement or document evidencing Indebtedness and includes any agreement or instrument granting a security interest in any of the property, assets or undertaking of a Person to secure the obligations of that Person under any of the foregoing;

“Defending Party” has the meaning specified in Section 8.10;

“Direct Claim” means any matter, event or circumstance that is not a Third Party Claim, which entitles an Indemnified Party to make a Claim for indemnification under Article 8 of this Agreement;

“Disclosure Letter” means the Vendor’s disclosure letter dated as of the Effective Date, delivered by the Vendor to the Purchasers contemporaneously with the execution and delivery of this Agreement and includes the schedules thereto, unless the context requires otherwise;

“Effective Date” means the date first set out above;

“Employee” means an individual who is an employee of the Vendor and who is employed or reports for work in connection with the Purchased Business, whether on a full-time or part-time basis, including those individuals employed on a temporary basis, on disability

leave, maternity leave, parental leave, compassionate care leave or other approved leave or approved or unapproved absence;

“Employee Benefit Plans” means all compensation, bonus, deferred compensation, incentive compensation, share purchase, share appreciation, share option, vacation pay, sick leave, hospitalization or other medical, health and welfare benefits, disability, life or other insurance, health insurance premiums, flexible work policies, maternity or parental leave, supplemental employment insurance plan, profit-sharing, employee assistance, pension, retirement or supplemental retirement benefit plans, arrangements or agreements, and all other similar employee benefit plans, arrangements or agreements, that are maintained by the Vendor for the benefit of any of the Employees or former employees of the Vendor or the Purchased Business or any beneficiaries of any of them, except that the term “Employee Benefit Plans” does not include any statutory plan with which the Vendor is required to comply, including the *Canada Pension Plan* or any plan administered under applicable Tax Legislation or federal or provincial health, workers’ compensation, workers’ safety and insurance and employment insurance legislation;

“Equipment” means all personal property and other tangible property (including all tangible personal property that is not included Office Equipment or Vehicles) owned by the applicable Person and/or used in carrying on the Purchased Business;

“Equipment Leases” means all lease(s) of personal property to which the applicable Person is a party or under which it has rights or obligations or used by the Vendor in carrying on the Purchased Business, as applicable;

“Ex Juris Party” has the meaning set out in Section 13.8;

“Financial Statements” means the financial statements of the Vendor in respect of the Purchased Business as at and for the fiscal years ending for the period from inception to August 31, 2021;

“Fundamental Representations” means each of the representations and warranties in Sections 4.1 [*Corporate Organization, Standing and Qualifications*], 4.2 [*Authorization*], 4.3 [*Consents and Approvals; No Violations*] and 4.10 [*Title to Purchased Assets*];

“GAAP” has the meaning set out in Section 1.6;

“Goodwill” means the goodwill of the Purchased Business, together with the exclusive right of PFILP to represent itself as carrying on the Purchased Business in continuation of and in succession to the Vendor and including all choses in action and other intangibles relating to the Purchased Business and to all rights in respect of the name “Pivot Financial” and any variations of such name;

“Governmental Authority” means any federal, provincial, territorial, municipal, local or other government in Canada or any other country having jurisdiction over the Vendor, the Purchased Business or either Party, including any public ministry, department, agency,

“Interested Person” means any officer, director or shareholder of the applicable Person or any Person with which the applicable Person does not deal at arm’s length within the meaning of the Tax Act;

“Interim Balance Sheets” means the balance sheets of the Vendor for the period ending on July 31, 2021;

“Interim Period” means the period from and including the time of the execution of this Agreement to the earlier of: (a) the Closing Time; and (b) the early termination of this Agreement;

“Investment Agreement” means the Investment Agreement entered to be entered into between TIMIA and Dan Flaro on or before the Closing Date whereby Dan Flaro will agree to subscribe for TIMIA Common Shares and TIMIA Series A Preferred Shares in the aggregate amount of not less than \$1,000,000;

“Investor Rights and Voting Agreement” has the meaning specified in Section 3.4;

“Leased Property” means any premises that the applicable Person leases, uses and/or occupies pursuant to the Leases, and the interest thereof in all buildings, structures, fixtures, erections, improvements, easements, rights-of-way, spur tracks and other appurtenances situated on or forming part of those premises, including, without limitation, that part of the leased premises situated on the second floor of the building forming part of the Location;

“Leases” means all leases, subleases, agreements or other rights of occupancy pursuant to which the applicable Person leases, uses or occupies any real property including without limitation real property relating to the Purchased Business and the Price Street Lease;

“Legal Proceeding” means any litigation, action, suit, petition, hearing, arbitration proceeding or other proceeding, whether administrative, civil or criminal, in law, by statute or in equity, or before any Tribunal and includes any appeal or review and any application for same;

“Letter of Intent” means the letter of intent between TIMIA, the Vendor, Pivot Financial Services Inc. and Ken Thomson in respect of the transactions contemplated under this Agreement, dated as of the Letter of Intent Date;

“Letter of Intent Date” means August 16, 2021;

“Liabilities” means any liabilities, Claims, demands, obligations, debts or other forms of Indebtedness of any Person, owing or owed, whether known or unknown, present or future, or absolute or contingent;

“License” means: (a) any license, permit, approval, authorization, delegation of authority, certificate or registration granted by any Governmental Authority; or (b) any other designation or certification currently maintained by the applicable Person (including in respect of the Purchased Business);

“**Licensed IP**” means Intellectual and Industrial Property that is used by the applicable Person under a license arrangement or arrangement from another Person;

“**Lien**” means any lien, mortgage, charge, pledge, hypothec, security interest, title retention agreement, easement, right of way or other encumbrance of any kind, including those which secure payment or performance of an obligation or otherwise affects the right, title or interest in or to any particular property;

“**LPUs**” means limited partnership units in the capital of PFILP;

“**Location**” means, collectively, the following lands and premises:

- (a) 21 Price Street, Toronto, Ontario and legally described as part of [REDACTED]
[REDACTED]
being [REDACTED]
- (b) 23 Price Street, Toronto, Ontario and legally described as part of [REDACTED]
[REDACTED]; and
- (c) 25 Price Street, Toronto, Ontario and legally described as part of [REDACTED]
[REDACTED]

“**Marketing Materials**” means all marketing, advertising, sales support, sales collateral, and promotional materials and productions, sales and marketing files (whether in print or electronic format) including all past and present promotion copy and promotion copy data bases, web images, web copy, and advertising and direct marketing materials of the Vendor used in carrying on the Purchased Business;

“**Material Adverse Effect**” or “**Material Adverse Change**” means any effect, event, result, occurrence, state of facts, development or change that is, or could reasonably be expected to be, material and adverse to: (a) any of the Purchased Assets; (b) Purchased Business or the assets, operations, results of operations, cash flows, properties, Liabilities, affairs or condition (financial or otherwise) of the Vendor; or (c) the ability of the Vendor to timely perform any of the obligations under this Agreement, except to the extent that the material adverse effect results from or is caused by: (i) worldwide, national or local economic, political or regulatory conditions, including war, armed hostilities, acts of terrorism, emergencies, crises and natural disasters, or changes in the markets or industry in which the Purchased Business operates, but excluding COVID-19; (ii) any change in Applicable Laws; (iii) any change in generally accepted accounting principles; (iv) the entering into and/or the announcement of this Agreement and the transactions contemplated by it; (v) any act or omission of the Vendor prior to the Closing Date taken with the prior written consent or at the written request of the Purchasers; (vi) any act or omission of the Purchasers, or actions approved or consented to by the Purchasers; or (vii) any action expressly required or permitted to be taken pursuant to this Agreement;

“Personal Information” means information about an identifiable individual as defined in Privacy Laws;

“PPSA” means the *Personal Property Security Act* (Ontario);

“PFI Plan” means the Employee Benefit Plan offered by the Vendor to the Transferred Employees as at the Effective Date;

“PFSI” means Pivot Financial Services Inc.

“PFILP” has the meaning specified on the first page of this Agreement;

“Prepaid Items” means all prepaid items and advanced payments, including credits, charges and prepaid expenses of the Vendor pertaining to the Purchased Business;

“Price Street Lease” means the sublease agreement with respect to that part of the leased premises situated on the second floor of the building forming part of the Location, as between Timbercreek Capital Inc., as sublandlord, and PFSI, as subtenant, dated July 21, 2020;

“Principal” means Kenneth Thomson, sole shareholder of the Vendor;

“Privacy Laws” means the Personal Information *Protection and Electronic Documents Act* (Canada) and any comparable Applicable Laws of any province or territory of Canada;

“Purchase Price” means has the meaning given to it in Section 3.1(a);

“Purchased Assets” has the meaning given to it in Section 2.1;

“Purchased Business” has the meaning specified in Recital A on the first page of this Agreement;

“Purchasers” has the meaning specified on the first page of this Agreement;

“Purchaser Material Adverse Effect” means any effect, event, result, occurrence, state of facts, development or change that is, or could reasonably be expected to be, material and adverse to: (a) any of the TIMIA Consideration Shares; (b) the business or the assets, operations, results of operations, cash flows, properties, Liabilities, affairs or condition (financial or otherwise) of the Purchasers; or (c) the ability of the Purchasers to timely perform any of the obligations under this Agreement, except to the extent that the material adverse effect results from or is caused by: (i) worldwide, national or local economic, political or regulatory conditions, including war, armed hostilities, acts of terrorism, emergencies, crises and natural disasters, or changes in the markets or industry in which the Purchased Business operates, but excluding COVID-19; (ii) any change in Applicable Laws; (iii) any change in generally accepted accounting principles; (iv) the entering into and/or the announcement of this Agreement and the transactions contemplated by it; (v) any act or omission of the Purchasers prior to the Closing Date taken with the prior written

consent or at the written request of the Vendor; (vi) any act or omission of the Vendor, or actions approved or consented to by the Vendor; or (vii) any action expressly required or permitted to be taken pursuant to this Agreement; provided, however, that any of the clauses (i) to (iii) shall not apply to the extent that any of the changes, effects, events or occurrences therein disproportionately adversely affect the Purchasers or the business of the Purchasers in comparison to other Persons who operate in the same industry in which the Purchasers primarily operate;

“Regulatory Approval” means: (a) any notice required to be provided under any Applicable Law; and (b) any approval, consent, ruling, authorization, permit or acknowledgement required from any Person, including any Governmental Authority, pursuant to any Applicable Law;

“Service Providers” has the meaning specified in Section 4.22(g);

“Share Purchase Agreement” means the share purchase agreement between TIMIA and Ken Thomson in respect of PFSI dated as of the Effective Date;

“Software” means all software computer programs used by the Purchased Business including all versions thereof and all related documentation, manuals, source code and object code, program files, data files, computer related data, field and data designations and relationships, data definition specifications, data models, program and system logic, interfaces, program modules, routines, sub-routines, algorithms, program architecture, design concepts, system designs, program structure, sequences and organization, screen displays and report layouts;

“Subsidiaries” means, with respect to any Person (other than an individual), any other Person (other than an individual) that such Person controls, whether directly or indirectly;

“Tax” or **“Taxes”** means: (a) all taxes, assessments, charges, dues, duties, rates, fees, premiums, air travelers security charges, imposts, levies and similar charges of any kind lawfully levied, assessed or imposed by any Governmental Authority under any Applicable Law, including Tax Legislation, including, Canadian federal, provincial, territorial, municipal and local, foreign or other income, alternative or add-on minimum tax, capital, goods and services, harmonized sales, retail sales, use, consumption, excise, stamp, value-added, ad valorem, business, franchising, property, development, occupancy, employment, social services, education, real property, personal property, transfer, land transfer, withholding, payroll, or employer health taxes, customs, import, anti-dumping or countervailing duties, Canada Pension Plan contributions, provincial pension plan contributions, employment insurance premiums, and provincial workers’ compensation payments, including any interest, penalties, additions to tax and fines associated therewith, or other additional amounts imposed by any Governmental Authority in respect thereof; and (b) any liabilities in respect of any item described in clause (a) payable by reason of Contract, assumption, transferee or successor liability, or operation of law;

“**Tax Act**” means the *Income Tax Act* (Canada) as it may be amended from time to time and the Regulations promulgated thereunder;

“**Tax Legislation**” means the Tax Act and all federal, provincial, territorial, municipal, foreign, or other statutes imposing a Tax, including all treaties, conventions, rules, regulations, Orders, and decrees of any jurisdiction;

“**Tax Reassessment Period**” shall mean, with respect to a taxation year or other period of the applicable Person, the latest of: (a) the period ending on the first date on which no assessment, reassessment or other document assessing liability for Tax, interest or penalties may be issued to such Person in respect of the taxation year or period pursuant to any Tax Legislation (including, for greater certainty, any extensions or waivers); (b) the date upon which such Person’s right to file a notice of objection to an assessment or reassessment or other document in respect of the taxation year or period expires; and (c) the date upon which no further appeals in respect of such assessment, reassessment or other document in respect of the taxation year or period are available to such Person;

“**Tax Returns**” includes, without limitation, all returns, reports, declarations, elections, notices, filings, information returns and statements required to be filed, or in fact filed, in respect of Taxes and any schedules attached thereto;

“**Termination Date**” means 90 days following the Effective Date;

“**Third Party Claim**” means any Claim by any Person who is not a Party against an Indemnified Party in respect of which such Indemnified Party may make a Claim for indemnification under Article 8 of this Agreement;

“**TIMIA**” has the meaning specified on the first page of this Agreement;

“**TIMIA Common Shares**” means common shares in the capital of TIMIA;

“**TIMIA Consideration Shares**” means any shares in the capital of TIMIA issued in consideration of the Purchase Price hereunder;

“**TIMIA Financial Statements**” has the meaning given to it in Section 5.1.11;

“**TIMIA Series A Preferred Shares**” means the 8% Series A Preferred shares in the capital of TIMIA;

“**Transferred Employee Agreements**” has the meaning specified in Section 7.1(a);

“**Transferred Employees**” means [REDACTED];

“**Tribunal**” means any court (including a court of equity), arbitrator or arbitration or dispute settlement panel, or any Governmental Authority or other body or Person exercising administrative, ministerial, adjudicative, regulatory, judicial or quasi-judicial powers, including any stock exchange;

“**TSXV**” means the TSX Venture Exchange;

“**TSXV Approval**” means the approval and acceptance of the TSXV of the transactions contemplated in this Agreement, including, but not limited to, the issuance of TIMIA Consideration Shares to the Vendor in accordance with this Agreement and the listing of the TIMIA Consideration Shares issuable pursuant thereto on the TSXV and all matters ancillary thereto;

“**Vehicles**” means all automobiles, trucks, trailers, cars and other motor vehicles owned or leased by the Vendor and used in carrying on the Purchased Business; and

“**Vendor**” has the meaning specified on the first page of this Agreement.

1.2 Certain Rules of Interpretation

In this Agreement and the Schedules:

- (a) **Commercially Reasonable.** “Commercially reasonable efforts/actions/steps” means the efforts that a prudent Person who desires to achieve a result would use in similar circumstances to ensure that such result is achieved as expeditiously as possible to the extent that such efforts are sound from a commercial and business point of view.
- (b) **Consent.** Whenever a provision of this Agreement requires or contemplates the consent or approval of a Party and that approval or consent is not delivered within the applicable time limit, then, unless otherwise specified, that Party will be deemed to have withheld its approval or consent.
- (c) **Currency.** Unless otherwise specified, all dollar amounts in this Agreement, including the symbol “\$”, refer to Canadian currency.
- (d) **Gender and Number.** In this Agreement, unless the context requires otherwise, any reference to gender includes all genders and words importing the singular number only include the plural and *vice versa*.
- (e) **Predecessors and Successors.** In this Agreement, unless the context requires otherwise, any reference to a Person shall be deemed to include their respective predecessors and successors.
- (f) **Headings, etc.** The division of this Agreement into Articles, Sections and other subdivisions and the inclusion of headings and a table of contents are provided for convenience only and do not affect the construction or interpretation of this Agreement.
- (g) **Including.** In this Agreement, the words “include” or “including” mean “include (or including) without limitation” and the words following “include” or “including” are not to be considered an exhaustive list.

- (h) **Knowledge.** Any reference to “to the knowledge of the Vendor” means the knowledge of Ken Thomson, as Principal, and includes the knowledge that he would be expected to have after making reasonable inquiries regarding the relevant personnel of the Vendor.
- (i) **Ordinary Course.** The terms “ordinary course” and “ordinary course of business” means, with respect to an action taken by a Person, that such action is consistent with the past practices of the Person or its business, as the case may be, and is taken in the ordinary course of the normal day-to-day operations of the Person or its business.
- (j) **Performance on Holidays.** If any act is required by the terms of this Agreement to be performed on a day which is not a Business Day, the act will be valid if performed on the next succeeding Business Day.
- (k) **References to Documents.** Unless otherwise specified, any reference in this Agreement to this Agreement or any other agreement or document, is a reference to this Agreement or the other agreement or document as it may have been, or may from time to time be, amended, supplemented, restated, novated or replaced and includes all schedules to it and to the Disclosure Letter.
- (l) **References to Persons.** Unless the context otherwise requires, any reference in this Agreement to a Person includes its successors and permitted assigns.
- (m) **References to this Agreement.** The words “hereof”, “herein”, “hereto”, “hereunder”, “hereby” and similar expressions refer to this Agreement as a whole and not to any particular Section or portion of it.
- (n) **Statutory References.** Unless otherwise specified, any reference in this Agreement to a statute includes all rules and regulations made under it, in each case as it or they may have been, or may from time to time be, amended or re-enacted.
- (o) **Time.** Time is of the essence of this Agreement, and no extension or variation of this Agreement will operate as a waiver of this provision.
- (p) **Time Periods.** Unless otherwise specified, a period of days (or Business Days) will be deemed to begin on the first day (or Business Day) after (or, in the calculation of days (or Business Days) prior to an event, the first day (or Business Day) prior to) the event which began the period and to end at 5:00 p.m. (Toronto time) on the last day of the period. If a period of time is to expire on any day that is not a Business Day, the period will be deemed to expire at 5:00 p.m. (Toronto time) on the next succeeding Business Day.
- (q) **Trade Terms.** Unless otherwise defined in this Agreement, words or abbreviations which have well-known trade meanings are used in this Agreement with those meanings.

1.3 Virtual Data Room

Any reference to a document or matter being “made available to the Purchasers” includes the posting of such document or matter on the virtual data room established by the Vendor to which the Purchasers have had access; provided that access to such documents or matters via the virtual data room shall have been granted to the Purchasers at least two days prior to the Effective Date. Any reference to a document or matter being “made available to the Vendor” includes any document publicly filed by or on behalf of TIMIA on its SEDAR profile at www.sedar.com since December 1, 2019, but prior to the Effective Date.

1.4 Entire Agreement

- (a) This Agreement together with the agreements and other documents to be delivered pursuant to this Agreement, constitute the entire agreement between the Parties pertaining to the subject matter of this Agreement and supersede all prior agreements, understandings, negotiations and discussions, whether oral, written or otherwise, of the Parties or any of their respective Affiliates with respect thereto (including the Letter of Intent). There are no representations, warranties, covenants or other agreements between the Parties in connection with the subject matter of this Agreement except as specifically set forth in this Agreement and any document delivered pursuant to this Agreement. For greater certainty, the Vendor agrees that notwithstanding anything contained in the Letter of Intent, any and all confidentiality obligations of TIMIA and the Corporation under the Letter of Intent shall cease to exist upon the Closing.
- (b) No supplement, modification, amendment, waiver or termination of this Agreement shall be binding unless executed in writing by the Party to be bound thereby.

1.5 Applicable Law

This Agreement shall be construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and shall be treated, in all respects, as an Ontario contract.

1.6 Accounting Principles

Unless otherwise specified, any reference in this Agreement to “generally accepted accounting principles” or “GAAP” is to the accounting standards for private enterprises, and for greater certainty, Part II of the CPA Canada Handbook, in effect in Canada at the date of determination and consistently applied in accordance with past practices.

1.7 Schedules

The Schedules to this Agreement (if any), and the Disclosure Letter (and the Schedules thereto), form an integral part of this Agreement.

ARTICLE 2
PURCHASE AND SALE

2.1 Purchase and Sale of the Purchased Assets

Upon the terms and subject to the conditions set out in this Agreement, at the Closing Time, the Vendor shall sell, convey, assign, transfer and deliver to PFILP, and PFILP shall purchase, acquire and accept from the Vendor, free and clear of all Liens (other than Permitted Liens), all of the Vendor's right, title and interest at the Closing Time in and to all of the properties, assets and rights of every kind and description, whether accrued, contingent or otherwise, related to or used or held for use in connection with the Purchased Business (other than the Excluded Assets), including all assets (other than Excluded Assets) that may have been acquired by the Vendor for use in connection with the Purchased Business during the Interim Period (which shall be collectively referred to herein as the "**Purchased Assets**"), except for any such assets which may be disposed of, or sold or consumed prior to the Closing Date in the ordinary course of business of the Purchased Business. The Purchased Assets shall include, without limitation, all of the Vendor's right, title and interest at the Closing Time in and to the following (except to the extent that they constitute Excluded Assets):

- (a) the Goodwill of the Purchased Business;
- (b) all Intellectual and Industrial Property owned or licensed by the Vendor and used in or relating to the carrying on of the Purchased Business as set out in Schedule 2.1(a) to the Disclosure Letter;
- (c) all Marketing Materials of the Vendor used in or relating to the carrying on of the Purchased Business;
- (d) the domain names "www.pivotfinancial.ca" and "www.pivotfinancial.com",
- (e) all Contracts (other than Excluded Contracts) used in or relating to the carrying on of the Purchased Business to which the Vendor is a party as set out in Schedule 2.1(e) to the Disclosure Letter (collectively, the "**Assumed Contracts**");
- (f) the rights of the Vendor in and to the Leases used in or relating to the carrying on of the Purchased Business, together with all fixtures and other improvements thereon, including the Leases described in Schedule 2.1(f) to the Disclosure Letter;
- (g) all Accounts Receivable which are outstanding on the Closing Date and the full benefit of all security or collateral for such amounts, including recoverable advances and deposits, but excluding any amounts owing from shareholders and Affiliates of the Vendor;
- (h) all Books and Records used in or relating to the carrying on of the Purchased Business;

- (i) all Software of the Vendor used in or relating to the carrying on of the Purchased Business;
- (j) all Governmental Authorizations of the Vendor used in or relating to the carrying on of the Purchased Business including the Governmental Authorizations set out in Schedule 2.1(j) to the Disclosure Letter;
- (k) all tangible personal property owned or leased by the Vendor, including Equipment, Office Equipment, Equipment Leases and Vehicles used in or relating to the carrying on of the Purchased Business, including without limitation the Equipment, Office Equipment and Vehicles identified in Schedule 2.1(k) to the Disclosure Letter;
- (l) all Claimed Amounts relating to the carrying on of the Purchased Business or affecting any of the Purchased Assets;
- (m) all Prepaid Items and advance payments including, without limitation, credits, charges and prepaid expenses of the Vendor used in or relating to the carrying on of the Purchased Business and all loans and other advances owing by each Transferred Employee to the Vendor; and
- (n) all Collateral placed with, or secured by, the Vendor for the performance of any Assumed Contract or agreement which otherwise constitutes a portion of the Purchased Assets; and
- (o) any interest receivable in respect of the Assumed Contracts accrued after the Closing Date.

2.2 Excluded Assets

Notwithstanding Section 2.1, all of the Vendor's right, title and interest at the Closing in and to the following properties, assets and rights (collectively, the "**Excluded Assets**") shall be excluded from the Purchased Assets and shall not be included in the definition thereof:

- (a) all Contracts, and rights thereunder, set out in Schedule 2.2(a) to the Disclosure Letter (the "**Excluded Contracts**");
- (b) all refunds or credits of Taxes due to the Vendor by reason of its ownership of the Purchased Assets or operation of the Purchased Business to the extent attributable to any taxation year or period (or portion thereof) ending at or prior to the Closing Time; and
- (c) all right, title and interest in and to all properties, assets and rights of the Vendor that are not transferred pursuant to Section 2.1.

2.3 Assumption of Liabilities

At the Closing Time, PFILP shall assume, and be solely and exclusively liable for, and shall pay and perform and discharge when due, the following Liabilities of the Vendor (collectively, the “**Assumed Liabilities**”):

- (a) subject to Article 7, all Liabilities of any kind relating to the Purchased Assets arising from events occurring on or after, but not prior to, the Closing Date (except as set forth in the remainder of the clauses in this Section 2.3);
- (b) all Liabilities of the Vendor under the Assumed Contracts accruing on or after the Closing Date;
- (c) all Indebtedness set out in Schedule 2.3(c) of the Disclosure Letter, including all accrued interest in respect thereof;
- (d) Accounts Payable incurred and processed in the ordinary course of the Purchased Business existing at or arising after the Closing, whether or not an invoice therefore has been received or such Accounts Payable has been recorded in the Books and Records of the Purchased Business on the Closing Date.

Notwithstanding the foregoing, in no event shall PFILP be obligated to assume, perform or otherwise discharge the following: (i) Liabilities of the Vendor to the Purchasers under this Agreement which result from misrepresentations or breaches of any warranty by the Vendor under this Agreement; and (ii) Liabilities of the Vendor to the Purchasers under this Agreement which result from any act performed, transaction entered into or state of facts suffered to exist in violation by the Vendor of any provision of this Agreement. Furthermore, PFILP’s assumption of the Assumed Liabilities shall in no way be deemed a waiver or release by the Purchasers of any rights, at law or in equity, which the Purchasers may have against the Vendor (but only to the extent provided for in this Agreement) as a result of any Claim arising out of the breach by the Vendor of any representation, warranty or covenant of the Vendor under this Agreement.

2.4 Excluded Liabilities

Notwithstanding anything in this Agreement to the contrary, PFILP shall not assume, and shall be deemed not to have assumed, any Liabilities of the Vendor relating to or arising out of the operation of the Purchased Business prior to the Closing Date (collectively, the “**Excluded Liabilities**”) other than the Assumed Liabilities. The Excluded Liabilities shall include, but not be limited to, those set out below:

- (a) any Liability relating to Taxes, including:
 - (i) all income Taxes, and
 - (ii) all non-income Taxes payable or collectible or remittable with respect to any taxation year or period that ends at or prior to the Closing Time and,

with respect to any taxation year or period beginning before and ending after the Closing Time, the portion of such taxation year or period ending at and including the Closing Time;

- (b) any Liability relating to or arising out of any Excluded Asset;
- (c) the Employee Benefit Plans and any Liability thereunder;
- (d) any Liability relating to the Transferred Employees arising prior to the Closing Date as follows:
 - (i) any Liabilities providing for the payment of retention bonuses (or similar payments) to any Transferred Employees;
 - (ii) any Liabilities arising out of workers' compensation Claims duly filed prior to the Closing Date by or on behalf of any Transferred Employee; and
 - (iii) any Liabilities providing for payments (such as change of control payments or other similar payments) to any Transferred Employees as a result of the transactions contemplated by this Agreement;
- (e) all Liabilities of the Vendor arising in connection with the litigation matters listed on Schedule 2.4(e) to the Disclosure Letter; and
- (f) all inter-company Indebtedness.

Any Excluded Liabilities shall, to the extent possible, be for the account of, and payable directly by, the Vendor. To the extent PFILP is deemed to be liable for any amounts in respect of the Excluded Liabilities, the Vendor shall pay to PFILP any amounts in respect thereof, in cash, within five Business Days of notice thereof from the Purchasers.

2.5 Closing

The Closing will take place by electronic transfer of documents at the Closing Time at the offices of TIMIA in Vancouver, British Columbia, or at such other place as may be agreed upon in writing by the Parties.

2.6 Non-Assignable Rights

Nothing in this Agreement shall be construed as an assignment of, or an attempt to assign to PFILP, any Contract or Governmental Authorization which, as a matter of Applicable Laws or by its terms, is (i) not assignable, or (ii) not assignable without the approval or consent of the issuer thereof or the other party or parties thereto, without first obtaining such approval or consent, or (iii) an assignment which would contravene any Applicable

Laws (collectively, “**Non-Assignable Rights**”). In connection with such Non-Assignable Rights, following the Closing Time, the Vendor shall, at the request of the Purchasers:

- (a) apply for and use all commercially reasonable efforts to obtain all consents or approvals contemplated by such Contracts or Governmental Authorizations, in a form satisfactory to the Purchasers acting reasonably, provided that nothing herein shall require the Vendor to make any payment or give any Guarantee or other financial contribution to any other party of the Contracts or to any Governmental Authority or to institute or threaten any legal or other proceedings against any Person;
- (b) reasonably co-operate with the Purchasers in any reasonable and lawful arrangements designed to provide the benefits of such Non-Assignable Rights to PFILP, including without limitation, holding any such Non-Assignable Rights in trust for the PFILP, acting as agent for PFILP, sub-contracting, sub-licensing or sub-leasing;
- (c) at the expense and risk of PFILP, enforce any rights of the Vendor arising from such Non-Assignable Rights against the issuer thereof or the other party or parties thereto;
- (d) take all such actions and do, or cause to be done, all such things at the request and expense of the Purchasers as shall be reasonably necessary and proper in order that the value of any Non-Assignable Rights shall be preserved and shall enure to the benefit of PFILP; and
- (e) pay over to PFILP all monies collected or paid to the Vendor in respect of such Non-Assignable Rights within five Business Days following receipt thereof by the Vendor.

Except as set forth in paragraphs (a) to (e) above, the Vendor shall not have any obligation following the Closing Time to the Purchasers for the failure to obtain any Consent that may be required in connection with the transactions contemplated by this Agreement.

ARTICLE 3 PURCHASE PRICE

3.1 Payment at Closing

- (a) At the Closing Time, subject to adjustment in accordance with this Agreement, in consideration of the Purchased Assets, PFILP shall pay to the Vendor an amount equal to \$1,500,000 (the “**Purchase Price**”) by issuing to the Vendor 1,500,000 LPUs at a deemed price of \$1.00 per LPU (the “**Consideration Units**”), as validly issued and fully paid and non-assessable securities, free and clear of any Liens (other than pursuant applicable statutory or TSXV resale restrictions).
- (b) Immediately after the Closing Time, the Vendor shall exchange the Consideration Units for an equivalent number of TIMIA Series A Preferred Shares (the

“**Securities Exchange**”), such TIMIA Series A Preferred Shares to form part of the TIMIA Consideration Shares issuable in satisfaction of the purchase price in accordance with the terms of the unit/share exchange agreement entered into between the Vendor and TIMIA dated as of the Effective Date (the “**Exchange Agreement**”) and attached hereto as Schedule 3.1(b).

- (c) At the Closing Time and immediately upon completion of the Securities Exchange, TIMIA shall deliver or cause to be delivered to the Vendor four share certificates representing the TIMIA Consideration Shares, rounded to the nearest whole share, as follows:
- (i) one certificate representing 10% of the TIMIA Series A Preferred Shares issued as TIMIA Consideration Shares having a restrictive legend affixed thereto that provides: “Subject to the terms of the Investor Rights and Voting Agreement dated *[insert the Closing Date]*, the holder of this security must not trade the security before the date that is *[insert the date that is four months after the Closing Date]*”;
 - (ii) one certificate representing 20% of the TIMIA Series A Preferred Shares issued as TIMIA Consideration Shares having a restrictive legend affixed thereto that provides: “Subject to the terms of the Investor Rights and Voting Agreement dated *[insert the Closing Date]*, the holder of this security must not trade the security before the date that is *[insert the date that is six months after the Closing Date]*”;
 - (iii) one certificate representing 30% of the TIMIA Series A Preferred Shares issued as TIMIA Consideration Shares having a restrictive legend affixed thereto that provides: “Subject to the terms of the Investor Rights and Voting Agreement dated *[insert the Closing Date]*, the holder of this security must not trade the security before the date that is *[insert the date that is nine months after the Closing Date]*”;
 - (iv) one certificate representing 40% of the TIMIA Series A Preferred Shares issued as TIMIA Consideration Shares having a restrictive legend affixed thereto that provides: “Subject to the terms of the Investor Rights and Voting Agreement dated *[insert the Closing Date]*, the holder of this security must not trade the security before the date that is *[insert the date that is 12 months after the Closing Date]*”.

3.2 Tax Rollovers

The Parties agree that it is their intention that the transfer of the Purchased Assets and Assumed Liabilities by the Vendor to PFILP, shall occur on a fully tax-deferred basis pursuant to the provisions of subsection 97(2) of the Tax Act; and the Parties agree that they will file the required joint elections in the prescribed form and within the prescribed time as required by the Tax Act and to select the agreed amount for each eligible property

as the lower of its cost amount and fair market value to the extent permitted by Applicable Laws.

3.3 Securities Matters

- (a) The Vendor acknowledges that the TIMIA Consideration Shares will be subject to, and legended to reflect, hold periods in accordance with the requirements of Applicable Laws and the rules and policies of the TSXV.
- (b) The Vendor acknowledges that it is solely responsible to find out what these hold periods and resale restrictions are and that it is solely responsible for compliance with applicable resale restrictions and that it is aware that during any hold period it may not resell the TIMIA Consideration Shares except in accordance with limited exemptions under the Investor Rights and Voting Agreement, the Applicable Laws and the rules and policies of the TSXV.

3.4 Investor Rights and Voting Agreement

At the Closing Time, the Parties will enter into an investor rights and voting agreement in the form attached as Schedule 3.4 hereto (the “**Investor Rights and Voting Agreement**”).

ARTICLE 4 REPRESENTATIONS AND WARRANTIES OF THE VENDOR

The Vendor makes the following representations and warranties and acknowledges that the Purchasers are relying on such representations and warranties in entering into this Agreement and in purchasing the Purchased Assets from the Vendor and assessing and assuming the Assumed Liabilities:

4.1 Corporate Organization, Standing and Qualifications

The Vendor is a corporation duly amalgamated, validly existing, organized and in good standing under the laws of the Province of Ontario and has not been dissolved. The Vendor has all requisite corporate power, authority and capacity to own, lease and operate its property and assets, to carry on the Purchased Business, to sell the Purchased Assets to PFILP and otherwise perform its obligations pursuant to this Agreement. The Vendor has made all filings and registrations under all Applicable Laws and is duly qualified or licensed as a corporation to carry on business, and is in good standing, in each jurisdiction in which the nature of the Purchased Business, or the property owned or leased by the Vendor, makes such qualification necessary. Schedule 4.1 of the Disclosure Letter contains: (a) a complete list of the jurisdictions in which the Purchased Business is carried on by the Vendor; (b) a list of all of the lines of business in which the Vendor is participating or engaged; (c) the primary lines of business in which the Vendor has participated or engaged in the past; and (d) the names (registered or otherwise) under which the Vendor does as of the Effective Date, or has in the past two years done, business. The

Vendor has not engaged in any other business in the past except as disclosed in Schedule 4.1 to the Disclosure Letter.

4.2 Authorization

The Vendor has the capacity, authority and power to execute, deliver and perform this Agreement and all of the agreements contemplated hereby to which it is a party and to consummate the transactions contemplated hereby and thereby. This Agreement and all of the agreements contemplated hereby to which the Vendor is a party have been duly and validly authorized, executed and delivered by the Vendor, and each such agreement constitutes a legal, valid and binding obligation of the Vendor, enforceable against it in accordance with its terms, except: (a) as such enforceability may be limited by bankruptcy, insolvency, moratorium, reorganization and similar Applicable Laws affecting creditors' rights generally; and (b) as such enforceability may be limited by general principles of equity, regardless of whether asserted in a proceeding in equity or law. No further action on the part of the Vendor is or will be required in connection with the transactions contemplated hereby.

4.3 Consents and Approvals; No Violations

- (a) Neither the execution and delivery of this Agreement or any other agreement or document to which the Vendor is or will become a party as contemplated by this Agreement, the consummation of the transactions contemplated herein or therein nor compliance by the Vendor with any provisions hereof or thereof will: (i) conflict with or result (with or without notice, lapse of time or both) in a breach of any of the terms, conditions or provisions of the articles, by-laws or other constating documents of the Vendor or resolutions of the directors or shareholders of the Vendor; (ii) conflict with or result in a breach or a default (or give rise to any right of termination, cancellation, acceleration, modification or other right) under any of the provisions of any Assumed Contract, except for such conflict, breach or default as to which requisite waivers or consents shall have been obtained by the Vendor before Closing (which waivers or consents are identified and described in Schedule 4.3(a) to the Disclosure Letter); (iii) violate any Applicable Laws applicable to the Vendor or any of its properties or assets; or (iv) result in the creation or imposition of any Lien upon and of the Purchased Assets.
- (b) Except as set out in Schedule 4.3(b) to the Disclosure Letter, no consent or approval by, or any notification or filing with, any Governmental Authority or any other Person is required in connection with the execution, delivery or performance by the Vendor of this Agreement or any other agreement or document to which the Vendor is or will be a party in connection with this Agreement.

4.4 Books and Records

- (a) Except as disclosed in Schedule 4.4(a) to the Disclosure Letter, all of the Books and Records have been delivered or made available to the Purchasers. The Books

and Records, in all material respects, are duly maintained in accordance with all Applicable Laws and contain full and accurate records of all matters required to be dealt with in such records. All material financial transactions relating to the Purchased Business, the Purchased Assets and the Assumed Liabilities have been accurately recorded in the Books and Records in accordance with GAAP. Neither the Vendor nor any of its Affiliates has any Books and Records (including any electronic, mechanical or photographic process, whether computerized or not) which (including all means or access thereto or therefrom) are not under the exclusive ownership and direct control of the Vendor or an Affiliate.

- (b) Schedule 4.4(b) to the Disclosure Letter contains a correct and complete list showing: (i) the name of each bank in which the Purchased Business has an account or safe deposit box and the names of all Persons authorized to draw on the account or to have access to the safety deposit box; and (ii) the names of all Persons holding powers of attorney from the Purchased Business. Copies of all such powers of attorney have been made available to the Purchasers.

4.5 Financial Statements; Certain Financial Information

- (a) The Vendor has furnished to the Purchasers true and complete copies of the Financial Statements. Each balance sheet included in the Financial Statements is true, complete and correct and presents fairly the financial condition of the Vendor as of the respective date of such balance sheet and each of the statements of operations and retained earnings and cash flows included in the Financial Statements is true, complete and correct and presents fairly the results of operations and cash flows of the Vendor for the periods set forth therein, in each case in accordance with GAAP consistently applied, except as otherwise noted therein, and in each case were compiled from the Books and Records regularly maintained by management and used to prepare financial statements of the Vendor in accordance with the principles stated therein. The Vendor has maintained its Books and Records in a manner sufficient to permit the preparation of the Financial Statements in accordance with GAAP, consistently applied.
- (b) There were no liabilities or obligations (including those that are absolute, accrued, contingent, liquidated, unliquidated or unasserted, and whether due or to become due) of the Vendor which were required to be, in accordance with GAAP, but were not shown or provided for on the balance sheets of the Vendor included in the Financial Statements to which such liabilities or obligations relate. All reserves established by the Vendor are reflected on the Interim Balance Sheets and are stated in accordance with GAAP and there are no loss contingencies that are required to be accrued pursuant to GAAP which are not provided for on such balance sheets.
- (c) The Vendor does not have any obligations arising under off balance sheet arrangements or agreements that in substance provide financing to the Vendor.

- (d) The Vendor has in place systems of internal accounting controls over financial reports sufficient to provide reasonable assurance that:
 - (i) records are maintained in reasonable detail and accurately and fairly reflect the transactions and dispositions of the assets of the Vendor;
 - (ii) transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP and that receipts and expenditures of the Vendor are being made only in accordance with authorization of management of the Vendor; and
 - (iii) the unauthorized acquisition, use or disposition of the assets of the Vendor that could have an adverse effect on the financial statements of the Vendor is prevented or detected in a timely manner.
- (e) The Vendor is not insolvent and no proceedings have been taken or authorized by the Vendor, or, to the knowledge of the Vendor, by any other Person with respect to the bankruptcy, insolvency, liquidation, dissolution or winding up of the Vendor or with respect to any amalgamation, merger, consolidation, arrangement, receivership or reorganization of, or relating to, the Vendor, nor, to the knowledge of the Vendor, have any such proceedings been threatened by any other Person.

4.6 Accounts Payable and Accounts Receivable

Schedule 4.6 to the Disclosure Letter contains a true and complete aged list of all Accounts Payable and a true and complete aged list of all Accounts Receivable of the Purchased Business, in each case as of the month end prior to the Effective Date. The Accounts Receivable shown on the Interim Balance Sheets (subject to reserves for non-collectability as reflected therein) and all receivables acquired or generated by Purchased Business since July 31, 2021 are bona fide receivables and represent amounts due with respect to actual arm's length transactions entered into in the ordinary course of business consistent with past practice. Any reserves for non-collectability have been reflected on the Interim Balance Sheets in accordance with GAAP. Except for Permitted Liens, no receivable forming part of the Purchased Assets has been assigned or pledged to any other Person and no defence of set-off or similar right to any such receivable has been asserted by the account obligor.

4.7 Interests in Suppliers, Customers, Etc.; Affiliate Transactions

- (a) Except as set out in Schedule 4.7(a) to the Disclosure Letter, the Vendor has no outstanding Indebtedness, Claim, Liabilities or obligation for amounts owing to (including for cash advances or negative cash balances), or notes or Accounts Receivable from, or leases, Contracts or other commitments or arrangements with or for the benefit of any of the Vendor or its Affiliates and Associates or their family members, or the directors, officers or employees of the Vendor or the Affiliates of any of the foregoing.

- (b) Except as set out in Schedule 4.7(b) to the Disclosure Letter, neither the Vendor, any Affiliate of the Vendor nor any officer or director of the Vendor possesses, directly or indirectly, any financial interest in, or is a director, officer or employee of, any Person which is a client, supplier, customer, lessor, lessee or competitor or potential competitor of the Purchased Business.
- (c) Except as set out in Schedule 4.7(c) to the Disclosure Letter: (i) no Indebtedness, Claim, liability or obligation of the Vendor in respect of the Purchased Business is guaranteed by any Affiliate of the Vendor, or any officer or director of the Vendor; and (ii) the Vendor is not a guarantor or co-obligor of any Indebtedness, Claim, Liabilities or obligation of any Affiliates, shareholders, officers or directors of the Vendor, or any of their Affiliates or Associates or family members.
- (d) In the conduct of the Purchased Business, the Vendor has not co-mingled its assets with those of any Affiliate of the Vendor, or any Associate thereof, engaged in any joint activities with regard to the purchase or sale of products or services, failed to maintain appropriate distinction between the Purchased Business and the other assets or properties of the Vendor and those of any other Person, or engaged in any acts or omitted to take any action which could reasonably be expected to form the basis of any Claim or assertion that the Vendor or the Purchased Business were responsible or liable for any Indebtedness, Claim, Liabilities or obligation of any other Person.

4.8 Absence of Certain Changes or Events

Except as set out in Schedule 4.8 to the Disclosure Letter, as of the Effective Date there has not been any Material Adverse Change in the condition of the Vendor or the Purchased Business and no such Material Adverse Change is pending or, to the knowledge of the Vendor, threatened. Without limiting the generality of the foregoing, except as disclosed in Schedule 4.8 to the Disclosure Letter or as otherwise contemplated by this Agreement, since the Effective Date, the Vendor has not:

- (a) made any material change in the operations or in the manner of conducting the Purchased Business;
- (b) suffered any event, violation or other matter that could reasonably be expected to have a Material Adverse Effect or suffered any material casualty loss (whether insured or not) or condemnation or other taking adversely affecting the Vendor or the Purchased Business;
- (c) entered into any employment Contract or commitment (whether oral or written) or compensation arrangement or Employee Benefit Plan, or changed or committed to change (including any change pursuant to any bonus, pension plan, profit-sharing or other plan, commitment, policy or arrangement) the compensation payable or to become payable to any of its officers, directors, employees, agents or consultants,

or made any pension, retirement, profit-sharing, bonus or other employee welfare or benefit payment or contribution;

- (d) sold, transferred or leased any property or assets to, or entered into or amended any transactions, agreements arrangements with or for the benefit of, any of the Vendor's Affiliates, Associates or family members or any of the officers or directors of any Affiliate or Associate of any officers or directors of the Vendor, except for the reimbursement of business expenses of a usual and customary nature and not exceeding, in the aggregate, \$10,000;
- (e) made or proposed any change in the accounting practices or methods of the Vendor in respect of the Purchased Business, including its practices or terms relating to Accounts Payable or Accounts Receivable or made or proposed any material change in any policy or practice relating to pricing, investments, credit, inventory, bad debt, contingency or other reserves, except for such changes which are required by GAAP or any Applicable Laws;
- (f) incurred any Liabilities relating to the Purchased Business except for current liabilities not constituting Indebtedness that are: (i) reflected on the Interim Balance Sheets; or (ii) incurred after the Letter of Intent Date in the ordinary course of business consistent with past practice;
- (g) cancelled or waived any rights with respect to any material debts or other obligations owed to or Claims held by the Vendor in respect of the Purchased Business (including the settlement of any Claims, litigation or other proceeding);
- (h) accelerated or delayed collection of Accounts Receivable generated by the Purchased Business in advance of or beyond their regular due dates when the same otherwise would have been collected;
- (i) terminated or amended or suffered the termination or amendment of any Contract pursuant to which the Vendor would receive in respect of the Purchased Business from any Person or pay to any Person more than \$10,000 in any calendar year or disposed of or permitted to lapse any Intellectual and Industrial Property used by the Purchased Business;
- (j) made any capital expenditures or commitments for additions to property, plant or equipment constituting capital assets of the Purchased Business except as reflected on the Interim Balance Sheet;
- (k) sold, transferred or leased any property or assets of the Purchased Business (real, personal or mixed, tangible or intangible) other than in the ordinary course of business;
- (l) amended, terminated or renegotiated any Assumed Contract;

- (m) entered into a Contract or any agreement lasting longer than 30 days in duration;
- (n) terminated, transferred or modified any Intellectual and Industrial Property Rights;
- (o) entered into any transaction involving, or suffered any development affecting, the Purchased Business, except in the ordinary course of business consistent with past practice; or
- (p) agreed, whether in writing or otherwise, to take any action described in this Section 4.8 or any action which, if taken after the date of this Agreement without the Purchasers' consent, would constitute a breach of this Section 4.8.

4.9 Leased Property

- (a) The Vendor is not a party to any Lease.
- (b) The Vendor has no Equipment Leases.

4.10 Title to Purchased Assets

Except for any Leased Property, or as set out in Schedule 4.10 to the Disclosure Letter, the Vendor is the sole legal and beneficial owner (and where its interests are registrable) the sole registered owner of all of its assets and interests in assets, real and personal, as shown on the Interim Balance Sheets, or acquired by the Vendor since July 31, 2021, with good and valid title, free and clear of all Liens except the Permitted Liens and the assignments identified in Schedule 4.10 to the Disclosure Letter. Other than pursuant to this Agreement, no Person has any agreement, option, understanding, commitment or right, or any right or privilege capable of becoming a right, to purchase any of the Purchased Assets from the Vendor. Subject to Permitted Liens and the assignments identified in Schedule 4.10 in the Disclosure Letter and any assets owned by Pivot Financial Services Inc., the Vendor has good, valid and marketable title to all assets currently used in operating the Purchased Business, its assets and interests in assets, real and personal, shown on the Interim Balance Sheets of the Vendor or acquired by the Vendor since July 31, 2021, with good and valid title, free and clear of all Liens except Permitted Liens. There is no basis upon which any of the Purchased Assets might become subject to any Liens. The Vendor possesses the Purchased Assets. All of the tangible personal property used in the Purchased Business is in good operating condition and repair, ordinary wear and tear excepted, and is adequate and suitable for the purposes for which it is presently being used. All items of personal property relating to the Purchased Business with an original cost or book value exceeding \$5,000 are listed in Schedule 4.10 to the Disclosure Letter.

4.11 Contracts

Schedule 4.11 of the Disclosure Letter contains a complete and accurate list of all Contracts to which the Vendor is a party (other than those Contracts identified elsewhere in a Schedule to this Agreement) and which relate to the Purchased Business. Each of the

Assumed Contracts constitutes a valid and binding obligation of the parties thereto, enforceable in accordance with its terms. The Vendor is not, and to the knowledge of the Vendor, no other party is, in breach of its obligations under any Assumed Contract and to the knowledge of the Vendor, other than the execution of this Agreement, no act or event has occurred which with notice or lapse of time or both, would constitute a breach of any of the Assumed Contracts. Neither the Vendor nor its counsel has received notice that any customer, supplier or other Person has breached, intends to breach or intends to discontinue any Assumed Contract, except in respect of matters that have been waived or cured prior to the Effective Date. The Vendor has delivered to the Purchasers complete and accurate copies of each Assumed Contract or other written evidence of the obligations, and all amendments thereto. Schedule 4.11 to the Disclosure Letter sets forth all potential loan arrangements in respect of which (i) there exists a signed term sheet or letter of intent, and (ii) definitive documentation is actively being drafted and negotiated.

4.12 Collateral

Except as disclosed in Schedule 4.12 to the Disclosure Letter, neither the Vendor nor the Principal is in possession of any tangible personal property pledged as Collateral and delivered to the Vendor pursuant to an Assumed Contract.

4.13 Intellectual and Industrial Property

Schedule 4.13 of the Disclosure Letter sets out a full, complete and accurate list of all Intellectual and Industrial Property and identifies the Intellectual and Industrial Property owned by the Vendor and the Intellectual and Industrial Property licensed from third parties, other than the Software and normal and routine off-the-shelf software license agreements. Such Intellectual and Industrial Property is the only intellectual property necessary for and material to the operation of the Purchased Business. All of the Intellectual and Industrial Property is valid, subsisting and enforceable. Except to the extent set out in Schedule 4.13 to the Disclosure Letter:

- (a) The Vendor owns, directly and exclusively, all right, title and interest in and to all Intellectual and Industrial Property owned by it as identified in Schedule 4.13 of the Disclosure Letter, with a good and marketable title, free and clear of all Liens, encumbrances or any other rights of others. Any third party who has any moral rights or similar rights in or to such Intellectual and Industrial Property has irrevocably waived such rights in favour of the Vendor. The Vendor holds valid licences for all of the Intellectual and Industrial Property owned by third parties.

- (b) The Vendor has not, during the past two years, except in the ordinary course of business in connection with the distribution of its products and licences to end users:
 - (i) transferred, conveyed, sold, assigned, pledged, mortgaged or granted a security interest in any Intellectual and Industrial Property owned by the Vendor to any third party;
 - (ii) entered into any licence, franchise or other agreement with respect to any Intellectual and Industrial Property owned by the Vendor with any third party; or
 - (iii) otherwise encumbered any of the Intellectual and Industrial Property owned by the Vendor.
- (c) The Vendor has taken all steps reasonably necessary to validly maintain, and has not taken any steps that could constitute abandonment of, the Intellectual and Industrial Property, including paying all necessary fees and filing all appropriate affidavits and renewals with the appropriate Governmental Authorities.
- (d) All of the Intellectual and Industrial Property owned by the Vendor was created by employees in the course of their employment or by contractors who have transferred and assigned all of their rights in and to such Intellectual and Industrial Property to the Vendor pursuant to written assignment agreements and have waived their moral rights and rights of a similar nature in and to such Intellectual and Industrial Property.
- (e) To the knowledge of the Vendor, the Intellectual and Industrial Property owned by the Vendor and currently used to conduct the Purchased Business does not conflict with, misappropriate or infringe upon or otherwise violate any Intellectual and Industrial Property Rights of any third party. There are no unresolved, pending or, to the knowledge of the Vendor, threatened Claims that allege that the Vendor has infringed or misappropriated the intellectual property rights of any third party.
- (f) There are no unresolved, pending or, to the knowledge of the Vendor, threatened Claims that challenge or otherwise question the validity, title or ownership of any Intellectual and Industrial Property, or the right to use any Intellectual and Industrial Property, that the Vendor owns and/or currently uses to conduct the Purchased Business.
- (g) To the knowledge of the Vendor, there is no, and there has not been any, conflict, unauthorized use, infringement or misappropriation of any of the Intellectual and Industrial Property owned, used or licensed by or to the Vendor or any breach at any time of any duty or obligation owed to the Vendor in respect of any of the Intellectual and Industrial Property.

- (h) The Vendor and the Purchased Business have taken reasonable commercial measures to maintain the secrecy of the Intellectual and Industrial Property that is considered to be trade secrets or Confidential Information.
- (i) Each employee and contractor to the Purchased Business has signed a confidentiality and non-disclosure agreement and, except as disclosed in Schedule 4.13(i) to the Disclosure Letter, to the knowledge of the Vendor there have not been any breaches of such confidentiality and non-disclosure agreements. To the knowledge of the Vendor, its employment of any of its employees or the retainer of any consultant does not violate any non-disclosure or non-competition agreement between any employee or consultant and a third party.
- (j) Neither the Vendor nor the Purchased Business is a party to any agreement, contract or Order that in any way limits or restricts any Intellectual and Industrial Property that the Vendor owns and/or currently uses to conduct the Purchased Business, other than normal and routine off-the-shelf software licence agreements.

4.14 Software

Schedule 4.14 to the Disclosure Letter sets forth a full, complete and accurate list of all of the Software and all components thereof, including all components owned by the Vendor and all components licensed by the Vendor from third parties. Except to the extent set out in Schedule 4.14 to the Disclosure Letter:

- (a) Other than the Software owned by third parties, the Software does not contain, embody, use or require any third party software, including development tools and utilities, and the Software constitutes all materials necessary for the continued maintenance, modification, development and enhancement of the Software.
- (b) Copies of all licence and maintenance agreements for the Software owned by third parties have been made available to the Purchasers. No Person has been provided a copy of the Software except pursuant to a valid licence.
- (c) All copies of the source code and related documentation for all Software are securely located at the premises of the Vendor or the Purchased Business. No source code or related documentation forming part of the Software is subject to escrow. The source code or related documentation has not been disclosed to any third party. None of the Software is subject to an open source code licence or to any licence requiring the present or future public disclosure of its source code.
- (d) The Vendor has obtained all applicable approvals from all Governmental Authorities in all jurisdictions where the Software is licensed.
- (e) Schedule 4.14(e) to the Disclosure Letter lists all licences, all installation, implementation, maintenance or support agreements, all development contracts and all other agreements between the Vendor or the Purchased Business and users of

the Software, copies of each of which have been made available to the Purchasers. All such users have non-transferable, non-exclusive licences to use only object code versions of the Software.

- (f) To the knowledge of the Vendor, there are no problems or defects in the Software including bugs, logic errors or failures of the Software to operate as described in the related documentation and, to the knowledge of the Vendor, the Software operates in accordance with its documentation and specifications and has no other material problems or defects.
- (g) The Software does not contain any undocumented code, disabling mechanism or protection feature intentionally designed to prevent its use, including any clock, timer, counter, computer virus, worm, software lock, drop dead device, Trojan-horse routine, trap door, time bomb or any other codes or instructions that may be used to access, modify, replicate, distort, delete, damage or disable Software or data, other software, operating systems, computers or equipment with which the Software interacts.
- (h) Schedule 4.14(h) to the Disclosure Letter accurately describes the current state of the Software, together with all current development plans for the Software, including design problems, remedial plans, requests for new features from customers and enhancement plans.
- (i) Neither the Vendor nor the Purchased Business has orally or in writing committed to provide selective special enhancements to any of its Software for any licencees.
- (j) There are no, and there have never been, any distributors, sales agents, representatives or any other persons, including VARs, OEMs or resellers, who have or had rights to market or license the Software. No Person has any exclusive rights in respect of the Software.

4.15 Equipment, Office Equipment and Vehicles

Schedule 4.15 to the Disclosure Letter contains a complete and accurate list of all of the Equipment, the Office Equipment and the Vehicles owned, leased or used by the Vendor in connection with the Purchased Business and their respective locations. All of such Equipment, Office Equipment and Vehicles have undergone any scheduled maintenance in accordance with manufacturer's recommendations and are in good condition, repair and (where applicable) proper working order, having regard to their age and reasonable wear and tear.

4.16 Insurance

The Vendor is not a party to any insurance policies save as additional insured or loss payee on insurance policies taken out by some of its borrowers or factoring clients.

4.17 Sufficiency and Location of Assets

Except for any assets owned by PFSI and the Excluded Assets, the Purchased Assets constitute all of the property and assets necessary for the conduct of the Purchased Business as it is currently conducted.

4.18 Taxes

- (a) The Vendor has duly and timely paid all Taxes (whether or not assessed by the relevant Governmental Authority), including all Taxes shown on its Tax Returns as being due and payable and all Taxes payable by it under any notice of assessment or reassessment. The Vendor is not in possession of any refund of Taxes to which it is not entitled.
- (b) The Vendor has deducted, withheld and/or collected and remitted to the relevant Governmental Authority within the applicable time periods prescribed under Applicable Laws all Taxes or other amounts required to be deducted, withheld and/or collected and remitted by it.
- (c) There are no reassessments of Taxes that have been issued to and that are under dispute by the Vendor.
- (d) There are no Liens for Taxes upon the Purchased Assets or any other assets of the Vendor. The Vendor has not requested any extension of time within which to file any Tax Return which has not since been filed.
- (e) No Governmental Authority has notified the Vendor that it is currently challenging or disputing the Vendor in respect of any Taxes or any Tax Returns.
- (f) The Vendor has withheld from each payment made to its present or former Employees, officers and directors, and to all Persons who are non-residents of Canada, if any, for the purposes of the Tax Legislation all amounts required by law and has remitted such withheld amounts within the prescribed periods to the appropriate Governmental Authority. The Vendor has remitted all Canada Pension Plan contributions, employment insurance premiums, employer health taxes and other Taxes payable by it in respect of its present and former Employees and has remitted such amounts to the proper Governmental Authority within the time required by law.

4.19 Non-Resident

The Vendor is not a non-resident of Canada for the purposes of the Tax Act.

4.20 Employment Matters

- (a) As of the Effective Date, there are no Employees of the Vendor other than the Transferred Employees.

- (b) As of the Closing Date, there will be no Employees of the Vendor.
- (c) The Vendor is not a party to any Contract that results or could result in enhanced or accelerated payments, benefits or rights to any Transferred Employee as a result of or in connection with the transactions contemplated by this Agreement.
- (d) The Vendor has not made any agreements, whether directly or indirectly, with any labour union or employee association or made commitments to or conducted negotiations with any labour union or employee association or other similar entity with respect to any future agreements. No trade union or employee association has any bargaining rights acquired by either certification or voluntary recognition with respect to the Employees.
- (e) There are no outstanding unfair labour practice complaints against the Vendor. The Vendor is not subject to any Claim relating to its Employees' termination of employment, discrimination or harassment, nor are there any outstanding Orders against the Vendor under applicable employment standards or health and safety legislation, individually or in the aggregate, are material or could materially adversely affect the Vendor.

4.21 Pension and Benefit Matters

- (a) As of the Closing Date, the Transferred Employees shall have ceased to accrued benefits under all of the Vendor's Employee Benefit Plans and no Vendor Employee Benefit Plan shall be applicable to Transferred Employees.
- (b) There are no outstanding liabilities under the Tax Act or other Tax liabilities with respect to any Employee Benefit Plans.

4.22 Compliance with Laws; Governmental Authorizations

- (a) The Vendor has conducted the Purchased Business in material compliance with all Applicable Laws in each jurisdiction in which the Purchased Business is carried on. The Vendor has not received any notice that any violation of any Applicable Laws is being or may be alleged.
- (b) The Vendor is duly licensed, registered or qualified and duly possesses all Governmental Authorizations required or necessary to carry on the Purchased Business as now conducted in compliance with all Applicable Laws and all such Governmental Authorizations are described in Schedule 4.22(b) to the Disclosure Letter. All of the Governmental Authorizations described in Schedule 4.22(b) to the Disclosure Letter are valid and subsisting and in good standing and no event has occurred or condition or state of facts exists which constitutes or, after the giving of notice or the passage of time or both, would constitute a breach or default under any of the Governmental Authorizations, or which permits or, after the giving of notice or the passage of time or both, would permit revocation, termination or

modification of any of the Governmental Authorizations. Except to the extent set out in Schedule 4.22(b) to the Disclosure Letter, each of the Governmental Authorizations is: (i) renewable; and (ii) assignable or transferable to PFILP pursuant to this Agreement, in each case without: (A) the occurrence of any breach, default or forfeiture of rights thereunder; (B) the consent, approval or act of, or the making of any filing with, any Governmental Authority; or (C) the payment of any additional fees or the posting of any bonds or surety or other occurrence of cost.

- (c) There are no limitations or restrictions on carrying on the Purchased Business on the lands and premises from which it is now carried on. No proceeding to modify, suspend, revoke, withdraw, terminate or otherwise limit any such Governmental Authorization is pending or threatened and the Vendor does not know of any valid basis for such proceeding, including the transactions contemplated hereby. No administrative or other action or proceeding has been taken or threatened by any Governmental Authority in connection with the expiration, continuance or renewal of any of the Governmental Authorizations applicable to the Purchased Business or the Purchased Assets and the Vendor does not know of any valid basis for any such proceeding.
- (d) Neither the Purchased Business nor the Vendor nor any of its directors, officers, employees, agents or representatives has:
 - (i) used any funds for unlawful contributions, gifts, entertainment or other unlawful expenses relating to political activity;
 - (ii) directly or indirectly, paid any fee, commission or other sum of money or item of property, however characterized, to any finder, agent, or other Person acting on behalf of or under the auspices of a government official or Governmental Authority, in Canada or any other country, in any manner related to the Purchased Business, that was illegal under any Applicable Laws of Canada or any other country having jurisdiction; or
 - (iii) made any payment to any customer or supplier of the Purchased Business or any officer, director, partner, employee or agent for the unlawful rebating of charges, or engaged in any other unlawful reciprocal practice, or made any other unlawful payment or given any other unlawful consideration to any such customer or supplier or any such officer, director, partner, employee or agent, in respect of the Purchased Business.

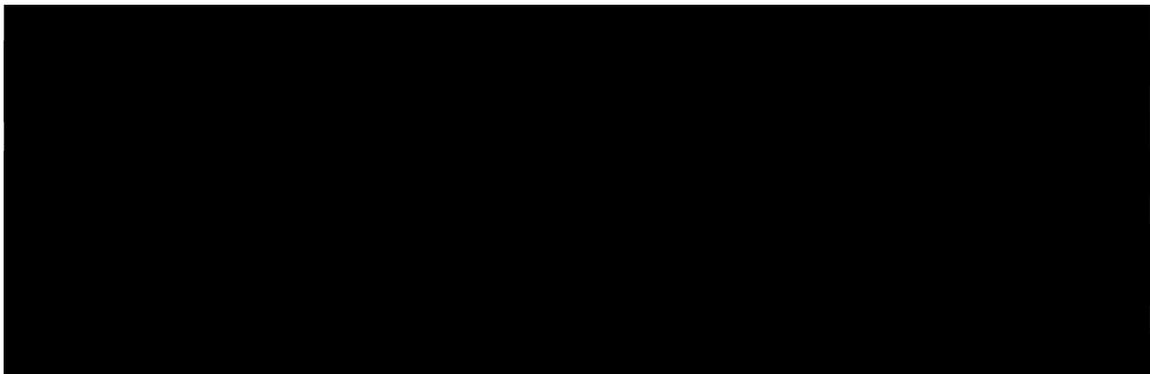
The Vendor has at all times been and is currently in compliance with all applicable financial record keeping and reporting requirements of all applicable money laundering statutes, the rules and regulations thereunder and any related or similar rules, regulations, or guidelines issued, administered or enforced by any Governmental Authority.

- (e) The Vendor has at all times been, and pursuant to its current ordinary course of business will in the future be, in compliance with CASL, as CASL exists as at the Effective Date. The Vendor has not received any inquiries, warning letters, notices to produce, notices of investigation or notices of violation from any applicable Governmental Authority, or been subject to a warrant or injunction, been assessed any administrative monetary penalties by any Governmental Authority, been the subject of a compliance and enforcement decision or entered into or discussed an undertaking with any Governmental Authority as a result of non-compliance or alleged non-compliance with CASL, and has not otherwise been subject to any enforcement actions with respect to CASL. The Vendor has adequate records as may be required by any Governmental Authority evidencing the date of sending and content of each Commercial Electronic Message sent by or on behalf of the Vendor in the last five years prior to the Closing Date.
- (f) The Vendor has implemented and maintained all commercially reasonable measures necessary to protect and maintain the confidentiality of, and otherwise enforce and protect its rights in any Personal Information or other information the Vendor has received under an obligation of confidentiality, including administrative, technical and physical measures designed to safeguard the security, confidentiality and integrity of such Personal Information and such other information, and which are designed to protect against unauthorized access to such Personal Information and such other information and the systems of any third party service providers that have access to such Personal Information or such other information. Such measures are and have been compliant with all Applicable Laws and consistent with: (i) sound industry practices; (ii) any applicable Licenses; and (iii) the obligations of the Vendor under any Contract. All notices and consents required by Applicable Laws regarding the collection, use or disclosure of Personal Information in connection with the conduct of the Purchased Business have been given or obtained.
- (g) The Vendor has in place written agreements with all vendors, marketing partners, service providers and other third parties and Persons (“**Service Providers**”) providing services to the Vendor and which, to any material degree, have access to, receive or process Personal Information from or on behalf of the Vendor, and such agreements contain provisions that oblige the Service Providers to comply with all Applicable Laws including but not limited to:
 - (i) only use the Personal Information for the limited purposes of assisting the Vendor and not use the Personal Information for the Service Providers own purposes;
 - (ii) safeguard the Personal Information in accordance with industry standards and the Vendor’s requirements; and
 - (iii) promptly notify the Vendor upon discovering suspected or actual breach of the Service Providers’ safeguards involving Personal Information. No

Person (including any Governmental Authority) has made any Claim or commenced any action with respect to any loss, damage, or unauthorized access, use, modification, or other misuse of Personal Information by the Vendor (or any of its Employees or contractors) which has resulted in, or would reasonably be expected to result in, material liability to the Vendor or the Purchased Business.

- (h) There is no action or action to be commenced against the Vendor or regulatory investigation of the Vendor or the Purchased Business relating to data security or privacy.
- (i) The Vendor is conducting the Purchased Business in material compliance with all Applicable Laws governing privacy and the protection of Personal Information, including Privacy Laws, other than:
 - (i) acts of non-compliance which individually or in the aggregate are not material; and
 - (ii) any public disclosure of this Agreement and its Schedules by the Purchasers.
- (j) The Vendor has a written privacy policy which governs the collection, use and disclosure of personal information and the Vendor is in compliance in all material respects with such policy.
- (k) The Vendor has taken commercially reasonable steps and maintain reasonable precautions to protect and maintain the confidentiality and value of, and to enforce its rights in, the Confidential Information. No Person (other than the Vendor and its directors, officers, Employees, agents, solicitors, accountants, professional advisors and other representatives) has access to any of the Confidential Information other than pursuant to a binding confidentiality agreement. To the knowledge of the Vendor, there has not been any breach of confidentiality or unauthorized use or disclosure of any of the Confidential Information.

4.23





4.24 Investment Canada

The Purchased Business is not a cultural business, as defined in the *Investment Canada Act* (Canada).

4.25 Competition Act; Value of Assets and Revenues in Canada

- (a) The aggregate value of the Purchased Assets in Canada or the gross revenues from sales in or from Canada generated from the Purchased Assets, as determined in the manner prescribed in the *Competition Act* (Canada), does not exceed 93 million Canadian dollars.
- (b) Since December 31, 2020, the Vendor, together with its affiliates (as defined in the *Competition Act* (Canada)) were not a party to or otherwise affected by a transaction or event the consequences of which, if taken into account, would affect the determination of whether notification is required to be given under Part IX of the *Competition Act* (Canada) with respect to the transactions contemplated by this Agreement.

4.26 Brokers

No agent, broker, Person or firm acting on behalf of the Vendor is, or will be, entitled to any commission or brokers' or finders' fees from the Vendor or from any Affiliate of the Vendor, in connection with any of the transactions contemplated by this Agreement.

4.27 Truth and Accuracy of Schedules

All of the information disclosed in the Disclosure Letter (including the Schedule thereto) and each of the Schedules attached to this Agreement is true and correct.

ARTICLE 5 REPRESENTATIONS AND WARRANTIES OF THE PURCHASERS

5.1 Representations and Warranties of TIMIA

TIMIA represents and warrants to the Vendor as set out in this Section 5.1 as of the Effective Date and as of the Closing Time and acknowledges that the Vendor is relying on those representations and warranties in entering into this Agreement and completing the transactions contemplated by it.

5.1.1 Incorporation and Qualification

- (a) TIMIA is duly organized, validly existing and in good standing under the laws of its governing jurisdiction and has the corporate power and capacity to own, lease, use and operate its property and carry on its business. Neither the location or character of any property owned or leased by TIMIA nor, the nature of the Purchased Business requires TIMIA to be registered or licensed in any jurisdiction other than Canada.
- (b) TIMIA is qualified, licensed and registered to carry on its business and is in good standing pursuant to the laws of British Columbia.
- (c) Other than as disclosed in the Information, TIMIA has no Subsidiaries and does not own, or have any agreement or right to acquire, directly or indirectly, any securities in any Person. Other than as disclosed in the Information, TIMIA is not a member of, or participates in, any partnership, joint venture or similar Person.

5.1.2 No Solvency or Reorganization Proceedings

TIMIA is not insolvent and no proceedings have been taken or authorized by TIMIA, or, to the knowledge of TIMIA, by any other Person with respect to the bankruptcy, insolvency, liquidation, dissolution or winding up of TIMIA or with respect to any amalgamation, merger, consolidation, arrangement, receivership or reorganization of, or relating to, TIMIA, nor, to the knowledge of TIMIA, have any such proceedings been threatened by any other Person.

5.1.3 No Other Agreements or Options

As of the Closing Date, other than this Agreement and as disclosed in the Information, no Person has any agreement or option or any right or privilege capable of becoming an agreement or option, to acquire any of the issued and outstanding shares in the capital of TIMIA. Other than as disclosed in the Information, no Person has any right, option or agreement to acquire any shares or other securities (including, without limitation, any shares or securities which have yet to be issued) from TIMIA.

5.1.4 No Conflicts

Neither the execution and delivery of or performance by TIMIA of this Agreement will result in a breach of, or conflict with, or cause the acceleration of any payment, right or obligation pursuant to, or allow any Person to exercise any rights under, any of the terms or provisions of:

- (a) the articles, notice of articles or other constating documents of TIMIA;
- (b) any resolutions of the directors or shareholders of TIMIA;
- (c) any Contract;

- (d) any Applicable Laws, provided that all applicable Regulatory Approvals are given or obtained (as applicable) in accordance with each Applicable Law; or
- (e) any License of TIMIA.

5.1.5 Required Regulatory Approvals

Other than the TSXV Approval, there is no requirement on the part of TIMIA to give or obtain (as applicable) any Regulatory Approval in connection with the lawful completion of the transactions contemplated by this Agreement or to permit TIMIA to carry on its business after Closing as it is currently conducted.

5.1.6 Required Consents

There is no requirement on the part of TIMIA to give or obtain (as applicable) any Consent in connection with the execution and delivery of this Agreement.

5.1.7 Dividends and Distributions

Other than in the ordinary course and as disclosed in the Information, TIMIA has not, directly or indirectly:

- (a) declared or paid any dividends or declared or made any other distribution or return of capital in respect of any of its securities;
- (b) redeemed, purchased or otherwise acquired any of its outstanding securities; or
- (c) agreed to do any of the foregoing.

5.1.8 Compliance with Applicable Laws

TIMIA has been and is, and its business has been conducted and is being conducted, in material compliance with all Applicable Laws. TIMIA has not received any notice of any violation or alleged violation of any Applicable Law.

5.1.9 Privacy

TIMIA has implemented and maintained all commercially reasonable measures necessary to protect and maintain the confidentiality of, and otherwise enforce and protect its rights in any Personal Information or other information TIMIA has received under an obligation of confidentiality, including administrative, technical and physical measures designed to safeguard the security, confidentiality and integrity of such Personal Information and such other information, and which are designed to protect against unauthorized access to such Personal Information and such other information and the systems of any third party service providers that have access to such Personal Information or such other information. Such measures are and have been compliant with all Applicable Laws and consistent with: (a) sound industry practices; (b) any applicable Licenses; and (c) the obligations of TIMIA under any Contract. All notices and consents required by Applicable Laws regarding the

collection, use or disclosure of Personal Information in connection with the conduct of the Purchased Business have been given or obtained.

5.1.10 Licenses

Each of TIMIA and its Subsidiaries hold all Licenses under all Applicable Laws required to conduct their business and is in compliance in all material respects with all terms of such Licenses, and has not received a notice of non-compliance, nor knows of, nor has reasonable grounds to know of, any facts that could give rise to a notice of non-compliance with any such laws, regulations or Licenses, which would have a Purchaser Material Adverse Effect. All Licenses held by TIMIA or a Subsidiary are valid and subsisting and in good standing, the operations of TIMIA are in material compliance with those Licenses and there are no outstanding defaults or violations under any of those Licenses on the part of TIMIA. None of the Licenses held by TIMIA or a Subsidiary will be terminated, impaired or in any way breached as a result of the transactions contemplated by this Agreement and no Person has threatened to revoke, amend or impose any condition in respect of, or commenced proceedings to revoke, amend or impose any conditions in respect of, any of those Licenses.

5.1.11 Financial Statements

The financial statements of TIMIA disclosed in the Information (the “**TIMIA Financial Statements**”):

- (a) have been prepared in accordance with IFRS, consistently applied throughout the periods referred to therein;
- (b) contain no misrepresentation and present fully, fairly and correctly, in all material respects, the financial position of TIMIA and the Subsidiaries as at such dates thereof and the results of the operations and the changes in the financial position of TIMIA and the Subsidiaries for the periods then ended; and
- (c) contain and reflect adequate provisions or allowance for all reasonably anticipated liabilities, expenses and losses of TIMIA and the Subsidiaries, and there has been no change in accounting policies or practices of TIMIA and the Subsidiaries subsequent to the date thereof.

5.1.12 Non-Arm’s Length Transactions

Except as disclosed in the Information:

- (a) no Interested Person is indebted to TIMIA nor is TIMIA indebted to any Interested Person;
- (b) TIMIA is not a party to any Contract with any Interested Person;
- (c) no Interested Person owns, directly or indirectly, in whole or in part, any property that TIMIA leases or otherwise uses; and

- (d) since the Letter of Intent Date, TIMIA has not made any payment to, made any loan to, borrowed any money from, or engaged in any transaction with, any Interested Person that has not been disclosed to the Vendor.

5.1.13 No Liabilities

TIMIA has no Liabilities except for:

- (a) Liabilities reflected or reserved against in the TIMIA Financial Statements; and
- (b) current Liabilities incurred in the ordinary course of business after the date of the TIMIA Financial Statements (none of which have arisen pursuant to any breach of or default under any Contract or any violation of any Applicable Law or which, individually or in the aggregate, would be considered to be material to the Purchased Business) that do not exceed \$100,000.00.

5.1.14 Debt Instruments

Except as disclosed in the Information, there are no Debt Instruments to which TIMIA is a party.

5.1.15 Title to the Assets

Except for any Licensed IP, any Leased Property and any leased personal property that is the subject of an Equipment Lease, TIMIA is the sole legal and beneficial owner of all of the property and assets used by it in connection with its business, with good title thereto, free and clear of all Liens other than Permitted Liens.

5.1.16 Owned Real Property

TIMIA: (a) does not own any real property; (b) has never owned any real property; or (c) has or has had any agreement or other right to acquire any real property.

5.1.17 Material Contracts

Any and all of the agreements and other documents and instruments pursuant to which TIMIA or a Subsidiary holds its property and assets (including any interest in, or right to earn an interest in, any such property) and conducts its business is a valid and subsisting agreement, document and instrument in full force and effect, enforceable in accordance with the terms thereof. None of TIMIA or any of the Subsidiaries is in default of any of the material provisions of any such agreements, documents or instruments, nor has any such default been alleged and such properties and assets are in good standing under the applicable statutes and regulations of the jurisdictions in which they are situated, all material leases, licences and claims pursuant to which TIMIA or a Subsidiary derives the interests thereof in such property and assets are in good standing in all material respects and there has been no material default under any such lease, licence or claim. The material properties (or any interest in, or right to earn an interest in, any property) of each of TIMIA and the Subsidiaries are not subject to any right of first refusal or purchase or acquisition right.

5.1.18 Intellectual and Industrial Property

- (a) The conduct of its business and the use by TIMIA of its Intellectual and Industrial Property does not infringe, violate, misappropriate or misuse any intellectual property rights or any other proprietary right of any Person or give rise to any obligations to any Person. There is no litigation ongoing, pending or, to the knowledge of TIMIA, contemplated with respect to the infringement, violation, misappropriation or misuse of any of the Intellectual and Industrial Property of TIMIA or the infringement, violation, misappropriation or misuse by TIMIA of any intellectual property right or proprietary right of any Person.
- (b) The Intellectual and Industrial Property of TIMIA is valid and enforceable and is not subject to any outstanding judgment, injunction, Order, decree or agreement threatening the ownership, validity or use thereof by TIMIA.

5.1.19 Employees

- (a) There have not been and there are not currently any labour disruption or conflict, or material disagreements with any employee or employees of TIMIA or the Subsidiaries which are adversely affecting or could have a Purchaser Material Adverse Effect;
- (b) There are no threatened or outstanding Claims against TIMIA relating to the employment or termination of employment of any current and/or former Employees.
- (c) TIMIA: (i) is not, nor has it ever been, a party to or bound by or subject to any Collective Agreement; (ii) has not made any commitment to, or conducted any negotiation or discussion with, any labour union or employee association with respect to any future agreement or arrangement; or (iii) is not required to recognize any labour union or employee association representing any Employees.
- (d) There is no strike, work stoppage, slow down or lockout or other labour dispute affecting TIMIA and no strike, work stoppage or lockout has been threatened which could affect the TIMIA.

5.1.20 Insurance

- (a) TIMIA and its Subsidiaries are insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as are prudent and customary in the businesses in which they are engaged; and none of TIMIA or its Subsidiaries has reason to believe that it will not be able to renew any such insurance as and when such insurance expires or obtain similar coverage from similar insurers as may be necessary to continue the business of each of TIMIA and its Subsidiaries at a cost that would not have a Purchaser Material Adverse Effect;

- (b) TIMIA has not failed to give notice of, or provide information with respect to, any insurance claim, such that TIMIA is or will be disqualified from receiving insurance proceeds in respect of such insurance claim.

5.1.21 Legal Proceedings

- (a) There is no Legal Proceeding in progress, pending or, to the knowledge of TIMIA, threatened, against, affecting or involving TIMIA or its directors or officers, or, to the knowledge of TIMIA, its agents, consultants or Employees with respect to their activities on behalf of TIMIA.
- (b) There is no outstanding, pending or, to the knowledge of TIMIA, threatened, Claim against TIMIA or any of its directors or officers, or, to the knowledge of TIMIA, its agents, consultants or Employees with respect to any of their activities on behalf of TIMIA.
- (c) To the knowledge of TIMIA, there is no fact, occurrence or event which could reasonably form the basis of a Claim against TIMIA or any of its directors, officers, agents, consultants or Employees with respect to any of their activities on behalf of TIMIA.
- (d) There is no Order outstanding against TIMIA or any of its directors, officers, agents, consultants or Employees with respect to any of their activities on behalf of TIMIA or against any Person relating to any securities in the capital of TIMIA.

5.1.22 Tax Matters

- (a) TIMIA has duly and timely paid all Taxes (whether or not assessed by the relevant Governmental Authority), including all Taxes shown on its Tax Returns as being due and payable and all Taxes payable by it under any notice of assessment or reassessment. TIMIA is not in possession of any refund of Taxes to which it is not entitled.
- (b) The TIMIA Financial Statements contain adequate provision in accordance with generally accepted accounting principles for all Taxes payable by TIMIA in respect of each period covered by the TIMIA Financial Statements and all prior periods to the extent those Taxes have not been paid, whether or not assessed and whether or not shown to be due in any Tax Returns.
- (c) TIMIA has deducted, withheld and/or collected and remitted to the relevant Governmental Authority within the applicable time periods prescribed under Applicable Laws all Taxes or other amounts required to be deducted, withheld and/or collected and remitted by it.
- (d) TIMIA has timely filed or caused to be filed with the applicable Governmental Authorities all Tax Returns required to be filed by it and all such Tax Returns are

true and correct in all respects and have been completed in accordance with applicable Tax Legislation.

- (e) There are no reassessments of Taxes that have been issued to and that are under dispute by TIMIA.
- (f) There are no Liens for Taxes upon any assets of TIMIA. TIMIA has not requested any extension of time within which to file any Tax Return which has not since been filed.
- (g) No Governmental Authority has notified TIMIA that it is currently challenging or disputing TIMIA in respect of any Taxes or any Tax Returns.
- (h) TIMIA has not received any notice from any Governmental Authority that an assessment or reassessment is proposed in respect of any Taxes. TIMIA is not negotiating any draft assessment or reassessment with any Governmental Authority.
- (i) TIMIA has not waived any statute of limitations in respect of any Taxes or executed or filed with any Governmental Authority any agreement extending the period for assessment, reassessment or collection of any Taxes. TIMIA is not party to or is bound by any tax sharing agreement, tax indemnity obligation in favour of any Person or similar agreement in favour of any Person with respect to any Tax matter (including any advance pricing agreement or other similar agreement relating to Taxes with any Governmental Authority). TIMIA has not granted to any Person a power of attorney that is currently in force with respect to any Tax matter.
- (j) Assessments in relation to all applicable Taxes, including without limitation under all Tax Legislation, have been made with respect to TIMIA covering all past periods through the latest completed fiscal year.

5.1.23 Books and Records

The Books and Records fairly and correctly set out and disclose in all material respects the assets and Liabilities of TIMIA and all material financial transactions and activities relating thereto. TIMIA's assets and properties and the Purchased Business have been accurately recorded in such Books and Records, as applicable. The Books and Records comply with all books and record-keeping requirements imposed under Applicable Laws and all applicable policies adopted by TIMIA.

5.1.24 No Brokers

TIMIA has carried on all negotiations relating to this Agreement and the transactions contemplated by this Agreement without the intervention on their behalf of any other Person in such a manner as to give rise to any valid claim for a brokerage commission, finder's fee or other like payment payable by TIMIA.

5.1.25 Money Laundering

TIMIA has at all times been and is currently in compliance with all applicable financial record keeping and reporting requirements of all applicable money laundering statutes, the rules and regulations thereunder and any related or similar rules, regulations, or guidelines issued, administered or enforced by any Governmental Authority.

5.1.26 No Misrepresentation

No representation or warranty of TIMIA contained in this Agreement or in the Information, contains any untrue statement of a material fact, or omits to state any material fact which is necessary to make the statements therein not misleading or necessary to fully and fairly provide the information required to be provided therein.

5.1.27 TIMIA Consideration Shares

TIMIA has the full corporate power and capacity to issue the TIMIA Consideration Shares. All of the TIMIA Consideration Shares have been, or will by the time of issuance be, duly authorized and fully paid and non-assessable shares in the capital of TIMIA and will have been issued in compliance with all Applicable Laws and not in violation of or subject to any pre-emptive or similar right that entitles any person to acquire from TIMIA any TIMIA Common Shares or other security of TIMIA, or any security convertible into, or exercisable for, TIMIA Common Shares or any other such security. As of the Effective Date there are 45,855,222 TIMIA Common Shares and 6,485,994 TIMIA Series A Preferred Shares issued and outstanding, options to purchase an aggregate of 4,655,000 TIMIA Common Shares and warrants to purchase an aggregate of 670,426 TIMIA Common Shares. At the Closing Time, all conditions required for the conditional listing of the TIMIA Consideration Shares on the TSXV will have been fulfilled (subject to standard post-Closing filings with the TSXV).

5.1.28 Share Terms

The rights, privileges, restrictions and conditions attached to the TIMIA Common Shares and TIMIA Series A Preferred Shares are as set out in the Notice of Articles and the Articles, copies of which have been made available to the Vendor.

5.1.29 Listing of the TIMIA Consideration Shares

- (a) The TIMIA Common Shares and TIMIA Series A Preferred Shares are listed and posted for trading on the TSXV and no order ceasing or suspending trading in any securities of TIMIA or prohibiting the sale or issuance of the TIMIA Consideration Shares or the trading of any of TIMIA's issued securities has been issued and no (formal or informal) proceedings for such purpose have been threatened or, to the knowledge of TIMIA, are pending.
- (b) TIMIA has not taken any action which would reasonably be expected to result in the delisting or suspension of the TIMIA Common Shares or TIMIA Series A Preferred Shares on or from the TSXV.

5.1.30 No Conflicts

The execution and delivery of and performance by TIMIA of this Agreement will not result in a breach of, or conflict with, or cause the acceleration of any payment, right or obligation pursuant to, or allow any Person to exercise any rights under, any of the terms or provisions of:

- (a) the notice of articles and articles of TIMIA;
- (b) any resolutions of the directors or shareholders of TIMIA;
- (c) any contract to which TIMIA is a party, provided that the applicable Consents set forth in Section 5.1.31 are given or obtained (as applicable) in accordance with the terms of each applicable contract; or
- (d) any Applicable Laws, provided that the applicable Regulatory Approvals disclosed in Section 5.1.31 are given or obtained (as applicable) in accordance with each such Applicable Law.

5.1.31 Required Regulatory Approvals

Other than TSXV Approval, there is no requirement on the part of TIMIA to give or obtain (as applicable) any Regulatory Approval in connection with the lawful completion of the transactions contemplated by this Agreement.

5.1.32 Regulator Matters

TIMIA is a “reporting issuer” under the securities laws of each of the provinces of British Columbia, Alberta, Saskatchewan, Manitoba and Ontario and is not noted as being in default on the list of reporting issuers maintained under the securities legislation in such provinces, and in particular, without limiting the foregoing, TIMIA is in material compliance with its disclosure obligations under securities laws and, except with respect to this Agreement and the transactions contemplated herein, there is no material change relating to TIMIA which has occurred and with respect to which the requisite material change report has not been filed with the applicable securities regulators. All material filings and fees due and payable by TIMIA pursuant to securities laws and general corporate law have been made and paid. TIMIA has not taken any action to cease to be a reporting issuer in any jurisdiction in which it is a reporting issuer, and has not received any notification from a securities regulator seeking to revoke the reporting issuer status of TIMIA.

5.1.33 Required Consents

There is no requirement on the part of TIMIA to give or obtain (as applicable) any Consent in connection with the completion of the transactions contemplated by this Agreement.

5.1.34 Information and Compliance with Disclosure Requirements

Except in relation to TIMIA's AGSM being held on a date occurring beyond the period prescribed by the TSXV, the Information was, as of the date of the applicable document in which it was contained:

- (a) in compliance in all material respects with the applicable securities laws of the provinces in which TIMIA is a reporting issuer; and
- (b) did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

TIMIA is in all material respect in compliance with its continuous disclosure obligations under applicable securities laws of the provinces in which it is a reporting issuer and has not filed any confidential material change reports under such laws which have not subsequently become public.

5.2 **Representations and Warranties of PFILP**

PFILP represents and warrants to the Vendor as set out in this Section 5.1 as of the Effective Date and as of the Closing Time and acknowledges that the Vendor is relying on those representations and warranties in entering into this Agreement and completing the transactions contemplated by it.

5.2.1 Formations and Qualification

- (a) PFILP is duly organized, validly existing and in good standing under the laws of its governing jurisdiction and has the power and capacity to own, lease, use and operate its property and carry on its business. Neither the location or character of any property owned or leased by PFILP nor, the nature of the Purchased Business requires PFILP to be registered or licensed in any jurisdiction other than Canada.
- (b) PFILP is qualified, licensed and registered to carry on its business and is in good standing pursuant to the laws of Ontario.
- (c) Except for this Agreement, PFILP has no assets or Liabilities of any kind, and does not own, or have any agreement or right to acquire, directly or indirectly, any assets of any kind. PFILP is not a member of, or participates in, any partnership, joint venture or similar Person.
- (d) PFILP was formed on September 1, 2021, has not, except for the transactions contemplated herein, transacted any business.

5.2.2 No Other Agreements or Options

As of the Closing Date, other than this Agreement, no Person has any agreement or option or any right or privilege capable of becoming an agreement or option, to acquire any of the

issued and outstanding units of PFILP. No Person has any right, option or agreement to acquire any shares or other securities (including, without limitation, any shares or securities which have yet to be issued) from PFILP.

5.2.3 No Conflicts

Neither the execution and delivery of or performance by PFILP of this Agreement will result in a breach of, or conflict with, or cause the acceleration of any payment, right or obligation pursuant to, or allow any Person to exercise any rights under, any of the terms or provisions of:

- (a) the limited partnership agreement or other constating documents of PFILP;
- (b) any resolutions of PFILP;
- (c) any Contract;
- (d) any Applicable Laws, provided that all applicable Regulatory Approvals are given or obtained (as applicable) in accordance with each Applicable Law; or
- (e) any License of PFILP.

5.2.4 Required Regulatory Approvals

Other than the TSXV Approval, there is no requirement on the part of PFILP to give or obtain (as applicable) any Regulatory Approval in connection with the lawful completion of the transactions contemplated by this Agreement or to permit PFILP to carry on its business after Closing as it is currently conducted.

5.2.5 Required Consents

There is no requirement on the part of PFILP to give or obtain (as applicable) any Consent in connection with the execution and delivery of this Agreement.

5.2.6 No Misrepresentation

No representation or warranty of PFILP contained in this Agreement contains any untrue statement of a material fact, or omits to state any material fact which is necessary to make the statements therein not misleading or necessary to fully and fairly provide the information required to be provided therein.

5.2.7 Consideration Units

PFILP has the full power and capacity to issue the Consideration Units. All of the Consideration Units have been, or will by the time of issuance be, duly authorized and fully paid and non-assessable units in the capital of PFILP and will have been issued in compliance with all Applicable Laws and not in violation of or subject to any pre-emptive or similar right that entitles any person to acquire from PFILP any Consideration Units or other security of PFILP.

5.2.8 Required Regulatory Approvals

Other than TSXV Approval, there is no requirement on the part of PFILP to give or obtain (as applicable) any Regulatory Approval in connection with the lawful completion of the transactions contemplated by this Agreement.

5.2.9 Required Consents

There is no requirement on the part of PFILP to give or obtain (as applicable) any Consent in connection with the completion of the transactions contemplated by this Agreement.

ARTICLE 6 COVENANTS OF THE VENDOR AND THE PURCHASERS

6.1 Conduct of Business of the Vendor

Except as otherwise contemplated or permitted by this Agreement, during the Interim Period:

- (a) the Vendor shall promote the interests and maintain the Goodwill and continue to operate, in consultation with the Purchasers, the Purchased Business in the ordinary course consistent with past practice, including paying and satisfying all obligations with respect to the Purchased Business as such obligations mature;
- (b) the Vendor shall continue to maintain in full force and effect all policies of insurance currently in effect in respect of the Purchased Assets and the Purchased Business and give all notices and present all Claims under all policies of insurance in a due and timely fashion;
- (c) the Vendor shall give notice to the Purchasers of any potential defaults or breaches of representations, warranties or covenants of the Vendor or any other material matter which may affect the Purchased Assets or the Purchased Business forthwith upon becoming aware of such matters;
- (d) the Vendor shall comply with all Applicable Laws affecting the operations of the Vendor and the Purchased Business;
- (e) the Vendor shall not, without the prior written consent of the Purchasers, directly or indirectly, cause or permit any state of affairs, action or omission described in Section 4.8. Without limiting the generality of the foregoing, the Vendor shall not, without the prior written consent of the Purchasers, perform or make any act or decision or enter into any Contract, commitment or transaction not in the ordinary course of business or which could have a Material Adverse Effect on the Purchased Business or which would constitute a breach of the covenants, representations or

warranties of the Vendor contained in this Agreement or which would cause such covenants, representations and warranties not to be true at the Closing, including:

- (i) transferring, assigning, selling or otherwise disposing of any of its property or assets other than in the ordinary course of business or as otherwise contemplated herein;
- (ii) terminating, discontinuing, suspending or reducing operations (including any product or services previously offered or provided) or closing or disposing of any facility or business operation;
- (iii) making or committing to make any capital expenditures or other expenditures in excess of \$50,000 in the aggregate;
- (iv) except as disclosed by the Vendor to the Purchasers in Schedule 6.1(e)(iv) of the Disclosure Letter, discharge or satisfy any Lien or pay any Indebtedness (other than trade payables), except in the ordinary course of business;
- (v) incurring any Indebtedness (other than trade payables in the ordinary course) or suffering or permitting to suffer any Lien on or relating to any of its property, assets or undertaking, other than Permitted Liens;
- (vi) voluntarily recognizing a trade union as a representative of any Employee(s);
- (vii) directly or indirectly engaging in any transaction (including the making of a payment), or entering into any Contract or arrangement, with any Associate or Affiliate of the Vendor, except for compensation and/or benefit arrangements which are otherwise contemplated in this Agreement;
- (viii) entering into any Collective Agreement;
- (ix) cancelling any debts or Claims or amending, terminating or waiving any rights of value to it;
- (x) amending, modifying or terminating any Employee Benefit Plan (except for the PFI Plan, as contemplated by Section 4.2.1(a) of the Share Purchase Agreement);
- (xi) making any wage, salary or other compensation increase in respect of any Employee;
- (xii) terminating or amending any policy of insurance by or for its benefit or any of its directors or officers;

- (xiii) except as disclosed by the Vendor to the Purchasers in Schedule 6.1(e)(xiii) of the Disclosure Letter declaring or paying any dividends or other distribution or return of capital on any of its outstanding securities or redeem, purchase or otherwise acquire any of its outstanding securities;
- (xiv) except as disclosed by the Vendor to the Purchasers in Schedule 6.1(e)(xiv) of the Disclosure Letter, amending, terminating or renegotiating any Assumed Contract;
- (xv) except as disclosed by the Vendor to the Purchasers in Schedule 6.1(e)(xv) of the Disclosure Letter, entering into any Contract;
- (xvi) discontinuing or restricting any service or product offered;
- (xvii) terminating, transferring or modifying any Intellectual and Industrial Property Rights;
- (xviii) amending or taking any action to amend its articles or by-laws or taking any steps (whether by its directors, officers, or shareholders) to dissolve, wind-up or otherwise affect its continuing corporate existence, or amalgamating, merging or entering into a similar business combination with any Person;
- (xix) changing its accounting principles, practices, methods or procedures, including, without limitation, with respect to the management of its working capital;
- (xx) taking or omitting to take, any action that would cause or lead to a Material Adverse Effect;
- (xxi) breaching or contravening, in a material manner, any Applicable Laws; or
- (xxii) authorizing, agreeing or becoming bound to do any of the foregoing.

6.2 Conduct of Business of the Purchasers

Except as otherwise expressly provided in this Agreement or as provided for in the agreements, contracts, instruments, tax elections during the Interim Period, the Purchasers shall carry on business in the ordinary course and in a manner consistent with past practices, and not do any of the following, without the express written consent of the Vendor:

- (a) transfer, assign, sell or otherwise dispose of any material portion of their property or assets other than in the ordinary course of business;
- (b) terminate, discontinue, suspend or reduce operations (including any product or services previously offered or provided) or close or dispose of any facility or business operation;

- (c) incur any Indebtedness (other than trade payables in the ordinary course) or suffer or permit to suffer any Lien on or relating to any of their property, assets or undertaking, other than Permitted Liens;
- (d) cancel any debts or Claims or amend, terminate or waive any rights of value to it;
- (e) terminate or amend any policy of insurance by or for their benefit or any of their directors or officers, as applicable;
- (f) except in the ordinary course, declare or pay any dividends or other distribution or return of capital on any of their outstanding securities or redeem, purchase or otherwise acquire any of their outstanding securities;
- (g) issue or sell, or enter into any Contract for the issuance or sale of, any shares in their capital or securities convertible into or exercisable for shares in their capital, or any other securities thereof, other than pursuant to the terms of outstanding convertible securities;
- (h) amend or take any action to amend their articles or take any steps (whether by its directors, officers, or shareholders) to dissolve, wind-up or otherwise affect its continuing corporate existence, or amalgamate, merge or enter into a similar business combination with any Person;
- (i) change its accounting principles, practices, methods or procedures, including, without limitation, with respect to the management of their working capital, or make any election or designation, or change in an election or designation, with respect to Taxes;
- (j) take or omit to take, any action that would cause or lead to a Purchaser Material Adverse Effect;
- (k) breach or contravene, in a material manner, any Applicable Law; or
- (l) authorize, agree or become bound to do any of the foregoing.

6.3 TSXV Approval

During the Interim Period, the Purchasers shall make commercially reasonable efforts to give or obtain the TSXV Approval.

6.4 Listing of Securities

As long as the Vendor is a holder of any of the TIMIA Consideration Shares, for a period of one year following the date that TIMIA has exercised the Retraction Right (as such term is defined in the Articles of TIMIA) in respect of the TIMIA Series A Preferred Shares, TIMIA shall not take any action which would reasonably be expected to result in the delisting or suspension of the TIMIA Common Shares and/or TIMIA Series A Preferred

Shares from the TSXV or such other stock exchange on which the shares are listed at the time, provided that this covenant shall not prevent TIMIA from completing any transaction which would result in TIMIA ceasing to be listed so long as (a) the holders of TIMIA Common Shares and TIMIA Series A Preferred Shares receive (i) cash; (ii) securities of an entity which is listed on a stock exchange in Canada; (iii) a combination of both cash and securities; or (iv) in the case of the TIMIA Series A Preferred Shares, a debt note having terms substantially similar to the terms of such TIMIA Series A Preferred Shares; or (b) the holders of the TIMIA Common Shares and TIMIA Series A Preferred Shares have approved the transaction.

6.5 Retraction

TIMIA covenants to exercise the Retraction Right (as that term is defined in its articles) on or before November 27, 2025 such that all of the then outstanding TIMIA Series A Preferred Shares will be repurchased by TIMIA for \$1.00 in cash per TIMIA Series A Preferred Share (as adjusted for any splits or consolidations that may occur) and none shall thereafter remain issued and outstanding, provided that the exercise of the Retraction Right shall not have a Purchaser Material Adverse Effect.

6.6 Examinations and Investigations

- (a) The Vendor shall at all times during the Interim Period make available to the Purchasers and their representatives for examination all Books and Records and other documents relating to the Purchased Business in its possession or under its control to the extent it reasonably believes necessary or advisable to familiarize itself with such properties and other matters. The Vendor shall provide copies of any of the Books and Records when reasonably requested by the Purchasers. The Vendor shall also permit such Persons as the Purchasers may reasonably require to inspect the Purchased Assets and the Purchased Business at any time prior to the Closing. The Vendor shall give such Persons all means necessary to effect such examinations and investigations and shall cause its agents, employees, officers and directors to use their best efforts to aid such Persons in such examinations and investigations at all times until the Closing. The Vendor consents to the Purchasers making applications and inquiries under any applicable freedom of information legislation (federal, provincial and municipal) and shall sign any documents or forms of consent incidental thereto. The exercise of any rights of access, inspection or examination by or on behalf of the Purchasers shall not affect or mitigate the Vendor's covenants, representations and warranties in this Agreement or the remedies of the Purchasers for breaches of those representations and warranties.
- (b) During the Interim Period, the Purchasers shall permit the Vendor and its representatives to have reasonable access to the assets, personnel and facilities of the Purchasers, it being understood that those investigations will be carried out during normal business hours.

6.7 Confidentiality

- (a) Prior to the Closing, the Purchasers shall keep confidential all information disclosed to them by the Vendor or its agents relating to the Vendor or the Purchased Business, except information which:
- (i) is part of the public domain;
 - (ii) becomes part of the public domain other than as a result of a breach of these provisions by the Purchasers;
 - (iii) can be demonstrated to have been known or available to the Purchasers or independently developed by the Purchasers;
 - (iv) was received in good faith from an independent Person who was lawfully in possession of such information free of any obligation of confidence; or
 - (v) is released from the provisions of this Agreement by the written authorization of the Vendor.

Such information is confidential and proprietary to the Vendor and the Purchasers shall only disclose such information to those of its employees and representatives of its advisors who need to know such information for the purposes of evaluating and implementing the transactions contemplated in this Agreement. If this Agreement is terminated without completion of the transactions contemplated herein, the Purchasers shall promptly return all documents, work papers and other written material (including all copies) except for one copy for record purposes only obtained from the Vendor in connection with this Agreement, and not previously made public, and shall continue to maintain the confidence of all such information provided that the Purchasers may retain a list containing general descriptions of information returned or destroyed.

- (b) After the Closing, the Vendor shall keep confidential all Personal Information it disclosed to the Purchasers and all information relating to the Purchased Business, except information (other than Personal Information) which:
- (i) is part of the public domain;
 - (ii) becomes part of the public domain other than as a result of a breach of these provisions by the Vendor;
 - (iii) was received in good faith after Closing from an independent Person who was lawfully in possession of such information free of any obligation of confidence; or
 - (iv) is released from the provisions of this Agreement by the written authorization of Purchasers.

- (c) At all times, each of the Vendor and each Purchaser shall keep confidential all information disclosed to it, or to a third party in connection with this transaction, by or on behalf of the other Party relating to the other Party, except information which:
- (i) is part of the public domain;
 - (ii) becomes part of the public domain other than as a result of breach of these provisions;
 - (iii) can be demonstrated to have been known or available to them before receipt of such information from the other Party or independently developed by them; or
 - (iv) was received in good faith from an independent Person, who was lawfully in possession of such information free of any obligation of confidence; or
 - (v) disclosed in connection with the obtaining of any consent or other third party document required to be obtained in order to satisfy a condition hereunder.

6.8 Disclosure of Transaction

Neither the Vendor nor the Purchasers shall, nor shall any of their respective Affiliates, agents, employees, officers and directors, without the prior written consent of the other Party, disclose or permit to be disclosed to anyone any information relating to the other Party, this Agreement or the transactions contemplated by this Agreement. This Section 6.8 does not prohibit disclosure to the professional advisors, bankers and employees of either Party who need to know such information, or to the extent necessary to authorize the purchase and sale of the Purchased Assets pursuant to this Agreement, or as may be required by any Applicable Laws, including the policies and rules of the TSXV.

6.9 Commercially Reasonable Efforts

- (a) Subject to the terms and conditions contained herein, the Vendor and the Purchasers shall cooperate and use their respective commercially reasonable efforts to take, or cause to be taken, all appropriate actions, and to make, or cause to be made, all filings necessary, proper or advisable under Applicable Laws and to consummate and make effective the transactions contemplated by this Agreement, including their respective commercially reasonable efforts to obtain, prior to the Closing, the actions, consents and approvals listed in Schedule 6.9 of the Disclosure Letter.
- (b) Each of the Parties shall promptly inform the other of any communication from or with any Governmental Authority regarding any of the transactions contemplated by this Agreement. If any Party or Affiliate thereof receives a request for additional information or documentary material from any such Governmental Authority with

respect to the transactions contemplated by this Agreement, then such party will endeavour in good faith to make, or cause to be made, as soon as reasonably practicable and after consultation with the other Party, an appropriate response in compliance with such request.

- (c) Without limiting the generality of Section 6.9(a), the Purchasers and the Vendor agree to take or cause to be taken and to cause their respective Affiliates to take all actions necessary to: (i) make the filings required of the Purchasers and the Vendor, or any of their respective Affiliates, under the *Competition Act* (Canada) or any other competition or antitrust law as promptly as practicable following the Effective Date; and (ii) comply at the earliest practicable date with any request for additional information or documentary material (or any similar request for information and/or documents) or other inquiry received by the Purchasers, the Vendor or any of their respective Affiliates from any Governmental Authority in connection with such filings.
- (d) The Purchasers shall promptly inform the Vendor, and the Vendor shall promptly inform the Purchasers, of any material communication made to, or received by such party from any Governmental Authority regarding any of the transactions contemplated by this Agreement.
- (e) The Vendor and the Purchasers agree that all meetings with any Governmental Authority regarding the transactions contemplated by this Agreement or any of the matters described in Sections 6.9(c) and 6.9(d) shall to the extent practicable include representatives of the Vendor and the Purchasers.

6.10 Representations, Warranties and Conditions

Each of the Parties shall use its commercially reasonable efforts to ensure that the representations and warranties set out in this Agreement are true and correct at the Closing Time as if such representations and warranties were made at and as of the Closing Time except as such representations and warranties may be affected by the occurrence of events or transactions expressly contemplated and permitted by this Agreement and other than representations and warranties that speak of a specific date or time (in which case such representations and warranties shall be true and correct in all respects on and as of such date or time) and that the conditions of Closing for the benefit of the other Party set out in this Agreement have been fulfilled, performed or satisfied prior to the Closing Time.

6.11 Discharge Liens

The Vendor shall discharge all Liens on the Purchased Assets, other than Permitted Liens, on or prior to the Closing.

6.12 Non-Solicitation

The Vendor shall immediately cease any existing discussions or negotiations with any third Persons conducted prior to the Effective Date with respect to any merger, business combination, sale of assets, sale of shares of capital stock or other securities or similar transaction (other than sales permitted by this Agreement) relating to the Purchased Assets or the Purchased Business (an “**Acquisition Transaction**”). The Vendor shall use its commercially reasonable efforts to cause the employees, directors, officers and shareholders of the Vendor not to, directly or indirectly, encourage, solicit, participate in, facilitate or initiate discussions or negotiations with, or provide any information to, any Person or group (other than the Purchasers, or their respective directors, officers, employees or other Affiliates or representatives) concerning any Acquisition Transaction or any discussions or negotiations with respect thereto. The Vendor shall immediately communicate to the Purchasers any such inquiries or proposals regarding any Acquisition Transaction and the terms thereof.

6.13 Change of Name

- (a) On or prior to the Closing, the Vendor shall take all steps required to permit PFILP to adopt a corporate name in which the words “Pivot Financial” are used. Such steps shall include executing any consents and acknowledgements required in order to enable PFILP to file Articles of Incorporation or Articles of Amendment containing a corporate name in which the words “Pivot Financial” are used.
- (b) Forthwith after Closing, the Vendor shall take all steps necessary to change its and any of its Affiliates’ corporate names to ones which do not include the words “Pivot Financial”.

6.14 Notification of Certain Matters

Each Party shall give prompt notice to the other Party of any of the following which occurs, or of which it becomes aware, following the Effective Date:

- (a) any notice of a default under any Assumed Contract;
- (b) the occurrence or existence of any fact, circumstance or event which would reasonably be expected to result in:
 - (i) any representation or warranty made by such Party in this Agreement or in any Disclosure Letter (including any Schedules thereto), Schedule or certificate delivered herewith, to be untrue or inaccurate in any material respect; or
 - (ii) the failure of any condition precedent to either Party’s obligations; and

- (c) any notice or other communication from any third Person alleging that the consent of such third Person is or may be required in connection with the transactions contemplated by this Agreement.

Any such notice will set out particulars of the untrue or incorrect representation or warranty, unperformed or unsatisfied covenant, or event (or lack thereof) that could reasonably be expected to make the satisfaction of any of the conditions in this Agreement impossible or unlikely (as applicable), and details of any actions being taken to rectify the matter. For greater certainty, the delivery of any notice pursuant to this Section 6.14 does not limit or otherwise affect the remedies available to a Party under this Agreement, or the representations or warranties or covenants of, or the conditions to the obligations of, any of the Parties hereunder.

6.15 Products and Payments Received by the Vendor

After Closing, in the event that the Vendor or any of its Affiliates receives any monies (including, as insurance proceeds or other amount from third Persons) in respect of the Purchased Business, the Vendor shall or shall cause its Affiliates to promptly remit such monies to PFILP or to its designated representative.

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6.17 Collateral

The Vendor will cooperate with PFILP to arrange for the transfer to PFILP of all Collateral held by the Vendor and to arrange for re-registration of all Collateral secured by the Vendor in favour of PFILP in a manner that maintains the priority and perfection of any security interests in respect of such Collateral.

ARTICLE 7
EMPLOYMENT, PENSION AND BENEFIT MATTERS

7.1 Transferred Employees

- (a) In conjunction with PFSI's presentation of new offers of employment to the Transferred Employees in accordance with Section 4.1.4(a) of the Share Purchase Agreement (the "**Transferred Employee Agreements**"), the Vendor shall use reasonable efforts to encourage all Transferred Employees to accept the terms of and execute the Transferred Employee Agreements.
- (b) In connection with the employment of each of the Transferred Employees by PFSI, PFSI shall assume in full any accrued salary, vacation, benefits or any other liabilities associated with the Transferred Employees up to and including the Closing Date and/or arising in connection with the cessation of their employment with the Vendor.

7.2 Vendor's Obligations

All employment matters relating to the Purchased Business, including employee salary, benefits and pension obligations accrued and not paid up to and including the Closing Date, any termination of the Transferred Employees by the Vendor, and actions, causes of action, Claims and demands, and any interest, award, judgment, penalties, costs or expenses relating thereto shall be the Vendor's responsibility. For greater certainty, the Purchasers shall have no obligations to or any liability to any Transferred Employee who does not accept PFSI's offer of employment.

ARTICLE 8
SURVIVAL AND INDEMNIFICATION

8.1 Survival of Vendor's Representations and Warranties

The representations and warranties of the Vendor contained in this Agreement or any document or certificate given pursuant to this Agreement shall survive the Closing until:

- (a) with respect to Fundamental Representations, without limit as to time;
- (b) with respect to all other representations and warranties, until the date that is 12 months following the Closing Date.

8.2 Survival of Purchasers' Representations and Warranties

The representations and warranties of the Purchasers contained in this Agreement or any document or certificate given pursuant to this Agreement shall survive the Closing until the date that is 12 months following the Closing Date.

8.3 Survival of Covenants

None of the covenants or other agreements contained in this Agreement shall survive the Closing Date other than those which by their terms contemplate performance after the Closing Date, and each such surviving covenant and agreement shall survive the Closing for the period contemplated by its terms.

8.4 Indemnification

- (a) Subject to Section 8.5 and Section 8.6, the Vendor shall indemnify and save each Purchaser harmless against, and will reimburse each Purchaser for, any and all Damages suffered or incurred by it arising from or in connection with:
 - (i) the breach of any of the representations or warranties of the Vendor contained in this Agreement or in any certificate to be delivered under Article 9;
 - (ii) any breach or non-fulfillment of any covenant or obligation on the part of the Vendor contained in this Agreement;
 - (iii) any Excluded Asset or Excluded Liability.
- (b) Subject to Section 8.6, the Purchasers shall indemnify and save the Vendor harmless against, and will reimburse the Vendor for, any Damages suffered or incurred by it arising from or in connection with:
 - (i) the breach of any of the representations or warranties of the Purchasers contained in this Agreement or in any of the certificates to be delivered under Article 9;
 - (ii) any breach or non-fulfillment of any covenant or obligation on the part of the Purchasers contained in this Agreement; and/or
 - (iii) any Assumed Liability.

8.5 Limitations on Amount of Indemnification

Except in respect of any indemnification Claim relating to: (A) any breach of a Fundamental Representation; (B) Section 8.4(a)(ii); (C) Section 8.4(a)(iii); and/or (D) fraud or intentional misrepresentation (which, for greater certainty, shall not be subject to the limitation and threshold set forth in paragraphs (a) and (b) below, respectively):

- (a) subject to Section 8.5(b), the maximum aggregate liability of the Vendor under Section 8.4(a) shall be limited to an amount equal to ■■■ of the Purchase Price; and

- (b) the Vendor shall not be liable to indemnify any Purchaser pursuant to an indemnification claim under Section 8.4(a), unless the aggregate Damages suffered or incurred by the Indemnified Parties exceeds [REDACTED], in which event, the Vendor shall be liable for the full amount of all such Damages regardless of such threshold,

provided that the maximum aggregate liability of the Vendor pursuant to this Article 8 shall be limited to the Purchase Price.

8.6 Time Limits for Claims

- (a) The Vendor has no obligation to make any payment in respect of a claim (for indemnification or otherwise) under Section 8.4(a) unless written notice of that claim is delivered to the Vendor under Section 8.8 on or before the following dates (where applicable):
 - (i) with respect to: (A) a breach of any Fundamental Representations; (B) any breach or non-fulfillment of any covenant or obligation of the Vendor; or (C) fraud or intentional misrepresentation, at any time; and
 - (ii) with respect to a breach of any other representations or warranties, on or before the date that is [REDACTED] after the Closing Date.
- (b) The Purchasers have no obligation to make any payment in respect of an indemnification claim under Section 8.4(b) unless notice of that claim is delivered to the Purchasers in accordance with Section 8.8 on or before the following dates:
 - (i) with respect to: (i) any breach or non-fulfillment of any covenant or obligation of the Purchasers; or (ii) any fraud or intentional misrepresentation of the Purchasers, at any time;
 - (ii) with respect to a breach of any of the representations or warranties set out in Section 4.17 [Tax Matters], on or before the date that is 90 days following the applicable Tax Reassessment Period; and
 - (iii) with respect to all other representations and warranties of the Purchasers, on or before the date that is [REDACTED] after Closing.
- (c) For greater certainty and notwithstanding any other provision of this Agreement: (1) an Indemnified Party shall be entitled to deliver notice of an indemnification claim (based on the then currently existing facts or circumstances) in respect of matters that could reasonably be expected to result in Damages for which indemnification is provided for under this Section 8.6 notwithstanding that Damages have not yet been actually suffered or incurred in respect thereof; and (2) if written notice of such indemnification claim has been delivered under Section 8.8 at or prior to the end of the applicable time period (if any) set out in this Section 8.6, each Indemnified Party shall be indemnified and saved harmless from all

Damages which are suffered or incurred by it in respect of such matters set forth therein, even if such Damages are suffered or incurred following the end of the applicable time period (if any), subject to the limitation on indemnification set forth in Section 8.5, if and to the extent applicable.

8.7 Other Limitations on Liability

Notwithstanding any other provision of this Agreement, no Party will have any liability to any other Party to the extent:

- (a) of any insurance proceeds actually received by an Indemnified Party with respect to such damages, net of any deductible and costs of collection and any increase in the annual insurance premium of said insurance policies for any subsequent period resulting from the filing and collection of such insurance claim, and if an Indemnified Party receives any payment (an “**Indemnity Payment**”) required by this Agreement from an Indemnifier in respect of any Damages and subsequently receives insurance proceeds in respect of the subject matter that gave rise to the Indemnity Payment, the Indemnified Party will pay the Indemnifier an amount equal to the difference between the Indemnity Payment actually received less the amount of that Indemnity Payment that would have been paid if the insurance proceeds had been received, realized or recovered before the Indemnity Payment had been made;
- (b) of any net Tax benefit actually recognized in the year the damages are incurred or in the immediately succeeding tax year by the Indemnified Party as a result of the damages giving rise to the claim hereunder;
- (c) any such Damages suffered by an Indemnified Party arise solely by reason of a proposed or actual enactment or change of any Tax law after the Closing Date;
- (d) any Damages arise solely (i) as a result of any law not in force on the Closing Date which takes effect retrospectively or (ii) as a consequence of a change in the interpretation of any law after the Closing Date;
- (e) any Damages are caused by, or contributed to or by, any Indemnified Party;
- (f) any Damages are caused by any matter or thing done or omitted to be done by or at the direction of or with the consent of the Indemnified Party;
- (g) to the extent such party has been indemnified or reimbursed for such Damages under any other provision of this Agreement, including pursuant to Section 2.6; and
- (h) any Damages suffered by any Indemnified Party to the extent there are any offsetting savings by or net financial benefits to such Indemnified Party arising from such Damages or the facts, matters, events or circumstances giving rise to such Damages.

8.8 Notice of Claim

- (a) If a Third Party Claim is instituted or asserted against an Indemnified Party, the Indemnified Party shall reasonably promptly after the commencement or assertion of that Third Party Claim, notify the Indemnifier in writing of the Third Party Claim. The notice will describe the Third Party Claim in reasonable detail and indicate, if reasonably practicable, the nature of the Third Party Claim and, to the extent known by the Indemnified Party, the amount of the potential Damages which may be suffered or incurred by it in respect thereof. The failure by the Indemnified Party to provide notice to the Indemnifier of such Third Party Claim on a reasonably prompt basis shall not affect the right of the Indemnified Party to make a claim for indemnification against the Indemnifier with respect thereto, as long as the notice is provided prior to the expiry of the applicable time period set forth in Section 8.6, if any.
- (b) If an Indemnified Party becomes aware of a Direct Claim, the Indemnified Party shall reasonably promptly notify the Indemnifier in writing of that Direct Claim. The notice will describe the Direct Claim in reasonable detail and indicate, if reasonably practicable, the nature and amount of the potential Damages which may be suffered or incurred by it in respect thereof. The failure by the Indemnified Party to provide notice to the Indemnifier of such Direct Claim reasonably promptly shall not affect the right of the Indemnified Party to make a claim for indemnification against the Indemnifier with respect thereto, as long as the notice is provided prior to the expiry of the applicable time period set forth in Section 8.6, if any.
- (c) Notice to an Indemnifier of a Third Party Claim or Direct Claim under this Section 8.8 will constitute assertion of a claim for indemnification against such Indemnifier under this Article 8 and upon receipt of notice, the provisions of Sections 8.9 to 8.11 will apply to any Third Party Claim and the provisions of Section 8.12 will apply to any Direct Claim.

8.9 Defence of Third Party Claims

With respect to any Third Party Claim, the Indemnifier may participate in or, by giving notice to that effect to the Indemnified Party not later than 30 days after receipt of notice with respect to that Third Party Claim, and subject to:

- (a) the rights of any insurer or other third party having potential liability therefor;
- (b) the Indemnifier having sufficient financial resources, in the opinion of the Indemnified Party, acting reasonably, to satisfy any adverse monetary judgment that is reasonably likely to result from such Third Party Claim;
- (c) the defence of such Third Party Claim by the Indemnifier not, in the opinion of the Indemnified Party, acting reasonably, materially adversely affecting the Indemnified Party (including its relationships with its customers and suppliers);

- (d) the Third Party Claim solely seeking (and continuing to solely seek) monetary damages;
- (e) the Third Party Claim not including any criminal or regulatory proceeding, indictment or allegation; and
- (f) the Third Party Claim not seeking an amount in excess of what the Indemnifier may be liable for under this Article 8,

elect to assume the control of the defence of the Third Party Claim at the Indemnifier's own expense and by the Indemnifier's own counsel provided that the Indemnifier acknowledges in writing its obligation to indemnify the Indemnified Party in accordance with the terms contained in this Article 8 in respect of such Third Party Claim. The Indemnifier shall thereafter keep the Indemnified Party reasonably informed with respect to the status of such Third Party Claim and the Indemnified Party may participate in the defence of such Third Party Claim assisted by counsel of its choice at its own expense. If the Indemnifier does not give notice within 30 days after receipt of notice of the Third Party Claim that it has elected to assume the control of the defence of the Third Party Claim, the Indemnified Party may, at its option and assisted by counsel of its choice, assume the defence of the Third Party Claim without prejudice to its right of indemnification under this Agreement.

8.10 Assistance for Third Party Claims

With respect to any Third Party Claim, the Indemnifier and the Indemnified Party shall make all reasonable efforts to make available to the Person which is undertaking and controlling the defence of such Third Party Claim (the "**Defending Party**"):

- (a) those employees whose assistance, testimony or presence is necessary to assist the Defending Party in evaluating and in defending such Third Party Claim; and
- (b) all documents, records and other materials in the possession of that Person reasonably required by the Defending Party for its use in defending such Third Party Claim,

and shall otherwise co-operate in good faith with the Defending Party. The Indemnifier shall be responsible for all reasonable expenses associated with making those documents, records and materials available and for all reasonable expenses of any employees made available by the Indemnified Party to the Indemnifier hereunder.

8.11 Settlement of Third Party Claims

- (a) If an Indemnifier elects to assume the defence of any Third Party Claim as provided in Section 8.9, the Indemnifier shall diligently proceed with the defence and shall not, without the prior written consent of the Indemnified Party (not to be unreasonably withheld), enter into any compromise or settlement of the Third Party

Claim or consent to the entry of any judgment, which would lead to liability or create any other obligation, financial or otherwise, on the Indemnified Party.

- (b) If an Indemnifier elects to assume the defence of any Third Party Claim as provided in Section 8.9, the Indemnifier will not be liable for any legal expenses subsequently incurred by the Indemnified Party in connection with the defence of that Third Party Claim. However, if the Indemnifier fails to take reasonable steps necessary to defend diligently that Third Party Claim within 30 days after receiving notice from the Indemnified Party that the Indemnified Party believes on reasonable grounds that the Indemnifier has failed to take such reasonable steps, the Indemnified Party may, at its option and assisted by counsel of its choice, defend, settle or compromise the Third Party Claim (at the expense of the Indemnifier) without prejudice to its right of indemnification hereunder. The party controlling the defence of the Third Party Claim shall keep the other party advised of the defence of the Third Party Claim and consider in good faith recommendations made by the other party with respect thereto.

8.12 Direct Claims

Upon receiving a notice of a Direct Claim from an Indemnified Party pursuant hereto, the Indemnifier will then have a period of 30 days within which to respond in writing thereto. The Indemnified Party shall, at the request of the Indemnifier, make available to the Indemnifier the information relied upon by the Indemnified Party to substantiate its right to be indemnified with respect to such Direct Claim, together with all other information as may be reasonably requested by the Indemnifier. If the Indemnifier does not respond within that 30 day period, the Indemnifier will be deemed to have rejected such Direct Claim, in which case the Indemnified Party shall be free to pursue such remedies as may be available to the Indemnified Party on the terms and subject to the provisions of this Agreement.

8.13 Arbitration

Except where a resolution mechanism is otherwise specifically set out herein, if at any time any dispute, difference, disagreement or question shall arise between the Parties then every such dispute, difference, disagreement or question shall be referred to a single arbitrator, if the Parties can agree upon one. Otherwise such matter in issue shall be referred to a board of three arbitrators, one to be appointed by each Party to the dispute and one to be appointed by the arbitrators chosen by the Parties, in writing, before the arbitrators enter upon the business of the reference. If either Party shall refuse or neglect to appoint an arbitrator within five Business Days after the other Party shall have appointed an arbitrator and shall have served a written notice upon that other Party requiring such Party to make such appointment, then the arbitrator first appointed shall proceed to hear and determine the matter in issue as if that arbitrator was appointed by both Parties for that purpose. The award or determination which shall be made by the arbitrator, the arbitrators, or the majority of them, as applicable, shall be absolutely final and binding upon the Parties and their respective heirs, executors, administrators, successors and assigns. In the event that the two arbitrators chosen by the Parties are unable to agree upon the appointment of the

third arbitrator, when required, within five Business Days after the appointment of the last of them, then upon the motion of any such arbitrator or either Party hereto to any judge of the *Ontario Superior Court of Justice*, such judge shall name the third arbitrator, whose appointment shall be final and binding upon the Parties. In all respects, subject to the terms of this Agreement, the *Arbitration Act*, 1991 (Ontario) and amendments thereto shall govern such proceedings, any arbitration shall occur in Toronto, Ontario, and the arbitrators shall be entitled to fix and apportion the liability for the costs of the arbitration.

8.14 Tax Treatment

To the fullest extent permitted under Applicable Laws, any payment made by the Purchasers as an Indemnifier under this Article 8 shall constitute a dollar-for-dollar increase to the Purchase Price and any payment made by the Vendor as an Indemnifier under this Article 8 shall constitute a dollar-for-dollar decrease to the Purchase Price, and each of the applicable Parties shall, within a reasonable time following any such payment, cause to be made all applicable amendments to its current or past Tax Returns as may be necessary to reflect the foregoing. Notwithstanding the foregoing, and for greater certainty, any adjustment required by this Section 8.14 shall not reduce the “Purchase Price” for the purposes of determining the indemnification cap set out in Section 8.5.

8.15 Duty to Mitigate

Each Indemnified Party will use commercially reasonable efforts to mitigate any Damages for which an Indemnifier is required to indemnify an Indemnified Party hereunder.

8.16 Foreseeability of Losses

For purposes of determining the liability and indemnity obligations under this Agreement, Damages will be limited to actual losses that are the direct and reasonably foreseeable consequences of any breach, non-performance or non-fulfillment of any covenant or agreement or misrepresentation, inaccuracy, incorrectness or breach of any representation, warranty or covenant, except to the extent that an aggrieved party is actually required to pay or otherwise satisfy a claim by a third party, the substance of which includes Damages which are not reasonably foreseeable and such Party would otherwise be entitled to indemnification under this Agreement.

8.17 Exclusive Remedy

- (a) The Parties acknowledge and agree that their sole and exclusive remedy with respect to any and all Claims relating (directly or indirectly) to Damages arising from the matters referred to in Sections 8.4(a)(i) to 8.4(a)(iii) in the case of the Purchasers, and from the matters referred to in Section 8.4(b) in the case of the Vendor (except in the case of fraud on the part of a Party), is set out in this Article 8.

- (b) The Parties acknowledge that the failure to comply with a covenant or obligation contained in this Agreement or any agreement to be delivered hereunder may give rise to an irreparable injury to a Party inadequately compensable in damages. Accordingly, a Party may seek to enforce the performance of this Agreement by injunction or specific performance upon application to a court of competent jurisdiction. Each of the Purchasers and the Vendor expressly waives and renounces any other remedies whatsoever, whether at law or in equity, which it would otherwise be entitled to as against a Party.
- (c) The Parties agree that the provisions in this Agreement relating to indemnification, and the limits imposed on the Parties' remedies with respect to this Agreement, and the transactions contemplated hereby were specifically bargained for between sophisticated Persons and were relied upon by the Parties in agreeing to execute and deliver this Agreement.



ARTICLE 9
CONDITIONS OF CLOSING IN FAVOUR OF THE PURCHASERS

9.1 Conditions for the Benefit of the Purchaser

The obligation of PFILP to purchase the Purchased Assets and to assume the Assumed Liabilities, are subject to the satisfaction of, or compliance with, at or before the Closing Time, each of the conditions in this Section 9.1, each of which is for the exclusive benefit of the Purchasers and may be waived, in whole or in part, by the Purchasers in their sole discretion.

9.1.1 Representations, Warranties and Covenants of the Vendor

- (a) All of the representations and warranties of the Vendor contained in this Agreement which are not qualified by materiality will be true and correct in all material respects as of the Effective Date and as of the Closing Time (other than (i) the Fundamental Representations which shall be true and correct in all respects as of the Effective Date and as of the Closing Time; and (ii) any representation or warranty which specifies that it is made as of a specific date, which shall be true and correct as of that date), and all of the representations and warranties of the Vendor contained in this Agreement that are qualified by materiality will be true and correct in all respects as of the Effective Date and as of the Closing Time (other than any representation or warranty which specifies that it is made as of a specific

date, which shall be true and correct as of that date), and the Vendor will have executed and delivered a certificate to that effect.

- (b) The Vendor will have performed or complied with, in all material respects, all obligations and covenants contained in this Agreement to be performed or complied with by it at or prior to the Closing Time, and the Vendor will have executed and delivered a certificate to that effect.

9.1.2 Financial Statements

The Vendor's Financial Statements have been prepared in accordance with generally accepted accounting principles and on a basis consistent with that of preceding periods (where applicable) and present fully, fairly and accurately in all material respects the financial condition of the Vendor as of the dates and throughout the periods indicated. True, correct and complete copies of the Vendor's Financial Statements have been provided to the Purchasers prior to the Effective Date.

9.1.3 Deliveries of the Vendor

At the Closing Time, the Vendor shall have delivered to the Purchasers (or the Purchasers' solicitor) the following in form and substance satisfactory to the Purchasers acting reasonably:

- (a) certified copies of: (i) the constating documents of the Vendor; (ii) resolutions of the board of directors and shareholders of the Vendor authorizing the completion of the transactions contemplated by this Agreement; and (iii) a certificate of incumbency in respect of the directors and officers of the Vendor;
- (b) a certificate of status or compliance (as applicable) with respect to the Vendor issued by the appropriate Governmental Authority in its respective jurisdiction of incorporation;
- (c) the certificates referred to in Sections 9.1.1(a) and 9.1.1(b);
- (d) copies of management prepared Financial Statements of the Vendor from the previous fiscal year end and interim financial statements from the most recent month-end that, in the sole opinion of the Purchasers, do not materially differ from any Financial Statements previously provided to the Purchasers;
- (e) the Investor Rights and Voting Agreement duly executed by the Vendor;
- (f) the Indemnity Agreement duly executed by the Vendor and Principal;
- (g) the Exchange Agreement duly executed by the Vendor;
- (h) evidence of the discharge of all Liens registered against the Purchased Assets except for Permitted Liens; and

- (i) the Investment Agreement and all schedules and ancillary agreements thereto, duly executed by Dan Flaro.

9.1.4 No Legal Proceedings

As at the Closing Time, no Order shall have been made and no Legal Proceeding shall have been commenced or shall have been threatened in writing against any Party or the Purchased Business for the purpose of enjoining, restricting or prohibiting the completion of any of the transactions contemplated by this Agreement or to prevent or restrain PFILP from carrying on the Purchased Business as presently carried on.

9.1.5 No Material Adverse Effect

At the Closing Time, there shall not have been any Material Adverse Effect since the Effective Date.

9.1.6 No Liens

At the Closing Date, there shall be no Liens against any of the Purchased Assets except for Permitted Liens.

9.1.7 TSXV Approval

The Purchasers shall have obtained the TSXV Approval required for the completion of the transactions contemplated by this Agreement prior to the Closing Time and on terms and conditions satisfactory to the Purchasers, acting reasonably.

9.1.8 Governmental Authorizations; Consents and Approvals

The Purchasers shall have obtained all Governmental Authorizations (whether by transfer, reissuance, modification, amendment, application or otherwise) required to be obtained by it in connection with or for the operation of the Purchased Business as presently conducted and contemplated in this Agreement. All Governmental Authorizations, actions, approvals, orders and consents of, or declarations or filings with, or expirations or terminations of waiting periods imposed by any Governmental Authority or other Person necessary to effect the transactions contemplated by this Agreement or any other agreement or document contemplated by this Agreement, shall have occurred, been filed or obtained, as the case may be, including, without limitation, the following:

- (a) the consents of all lessors to the assignment of all Equipment Leases to PFILP and the corresponding release of the Vendor, each in a form satisfactory to the Purchasers;
- (b) the consents of all parties to all other Assumed Contracts to the assignment of such Contracts to PFILP (but only to the extent required by each such Assumed Contract); and
- (c) Releases from the directors and officers of the Vendor in favour of the Purchasers, each in a form satisfactory to the Purchasers.

9.1.9 Investing Rights and Voting Agreement

At the Closing Time, the Vendor shall have delivered a duly executed Investor Rights and Voting Agreement to TIMIA.

9.1.10 Share Purchase Transaction

Prior to the Closing Time, all of the conditions of closing contained in the Share Purchase Agreement in favour of TIMIA, as purchaser, shall have been completed or performed to TIMIA's satisfaction, acting reasonably, or the completion or performance thereof shall have otherwise been waived by TIMIA in accordance with the terms of the Share Purchase Agreement.

9.1.11 Strategic Investment

Prior to the Closing Time, all of the conditions of closing contained in the Investment Agreement in favour of TIMIA, shall have been completed or performed to TIMIA's satisfaction, acting reasonably, or the completion or performance thereof shall have otherwise been waived by TIMIA in accordance with the terms of the Investment Agreement.

9.1.12 Transferred Employees

Each of the Transferred Employees shall have ceased employment with the Vendor and hired by PFSI in accordance with the terms of the Share Purchase Agreement.

9.1.13 PFI Plan

The PFI Plan shall have been transferred to PFSI.

9.1.14 Payment of Brokers

The Vendor shall have paid any advisory fees or other amounts due to any investment banker or other broker or agent retained by the Vendor in connection with the preparation, execution and performance of this Agreement and the transactions contemplated hereby.

9.1.16 Disclosure Letter

Prior to the Closing Time, the Vendor shall have rectified all items identified in the Disclosure Letter as a "Deficiency" to the satisfaction of the Purchasers.

ARTICLE 10
CONDITIONS OF CLOSING IN FAVOUR OF THE VENDOR

10.1 Conditions for the Benefit of the Vendor

The obligation of the Vendor to sell the Purchased Business are subject to the satisfaction of, or compliance with, at or before the Closing Time, each of the conditions in this Section 10.1, each of which is for the exclusive benefit of the Vendor and may be waived, in whole or in part, by the Vendor.

10.1.1 Representations, Warranties and Covenants of the Purchasers

- (a) All representations and warranties of the Purchasers contained in this Agreement which are not qualified by materiality will be true and correct in all material respects as of the Effective Date and as of the Closing Time, and all representations and warranties of the Purchasers contained in this Agreement that are qualified by materiality will be true and correct in all respects as of the Effective Date and as of the Closing Time, and the Purchasers will have executed and delivered a certificate to that effect.
- (b) The Purchasers will have performed or complied with, in all material respects, all obligations and covenants contained in this Agreement to be performed or complied with by them at or prior to the Closing Time, and the Purchasers will have executed and delivered a certificate to that effect.

10.1.2 Deliveries of the Purchasers

At the Closing Time, the Purchasers shall have delivered to the Vendor (or the Vendor's solicitor) the following in form and substance satisfactory to the Vendor acting reasonably:

- (a) a certified copy of: (i) the resolutions of such Purchaser authorizing the entering into and completion of the transactions contemplated by this Agreement; and (ii) incumbency and signatures of the officers of such Purchaser executing this Agreement and the other transaction documents contemplated herein;
- (b) a certificate of good standing with respect to such Purchaser, issued by the appropriate Governmental Authority in its jurisdiction of incorporation;
- (c) the certificates referred to in Sections 10.1.1(a) and 10.1.1(b);
- (d) the Investor Rights and Voting Agreement duly executed by TIMIA;
- (e) share certificates representing the TIMIA Consideration Shares in the name of the Vendor free and clear of all Liens;
- (f) the Exchange Agreement duly executed by the Purchasers; and

- (g) the Investment Agreement and all schedules and ancillary agreements thereto, duly executed by the Purchaser.

10.1.3 TSXV Approval

The Purchasers shall have obtained the TSXV Approval required for the completion of the transactions contemplated by this Agreement prior to the Closing Time and on terms and conditions satisfactory to the Vendor, acting reasonably.

10.1.4 Regulatory Approval

The Purchasers shall have received all necessary Regulatory Approvals for the completion of the transactions contemplated by this Agreement prior to the Closing Time and on terms and conditions satisfactory to the Vendor, acting reasonably.

10.1.5 No Legal Proceedings

As at the Closing Time, no Order shall have been made and no Legal Proceeding shall have been commenced or shall have been threatened in writing against any Party or the Purchased Business for the purpose of enjoining, restricting or prohibiting the completion of any of the transactions contemplated by this Agreement or to prevent or restrain PFILP from carrying on the Purchased Business as presently carried on.

10.1.6 No Material Adverse Effect

At the Closing Time, there shall not have been any Purchaser Material Adverse Effect since the Effective Date.

10.1.7 No Liens

As at the Closing Time, the TIMIA Consideration Shares shall be free and clear of all Liens.

10.1.8 Share Purchase Transaction

Prior to the Closing Time, all of the conditions of closing contained in the Share Purchase Agreement in favour of Ken Thomson, as vendor, shall have been completed or performed to the Vendor's satisfaction, acting reasonably, or the completion or performance thereof shall have otherwise been waived by Ken Thomson in accordance with the terms of the Share Purchase Agreement.

10.1.9 Investor Rights and Voting Agreement

At the Closing Time, TIMIA shall have delivered a duly executed Investor Rights and Voting Agreement to the Vendor.

10.1.10 Strategic Investment

The strategic investment contemplated by the Investment Agreement shall have been completed or performed in accordance with the terms thereof.

ARTICLE 11
MUTUAL CONDITIONS OF CLOSING

11.1 Mutual Conditions

The obligation of the Parties to complete the transactions contemplated under this Agreement are subject to the satisfaction of, or compliance with, at or before the Closing Time, each of the conditions in this Section 11.1, each of which is for the benefit of the Parties, mutually, and may be waived, in whole or in part, by either Party in writing.

11.1.1 Consents from Borrowers

All necessary consents required from any Person in connection with the transfer of the Purchased Assets shall have been obtained prior to the Closing Date.

11.1.2 Consents from Lenders

All necessary consents required from any Person in connection with the transfer of the Assumed Contracts shall have been obtained prior to the Closing Date.

11.1.3 No Liens

- (a) To the extent PFILP elects or is required to repay any Indebtedness of the Purchased Business, the Purchasers shall have received customary evidence, in form and substance reasonably satisfactory to the Purchasers, that all arrangements providing for pledge, mortgage and Lien releases, trade-mark and patent assignments and other similar matters in connection with the payment of such Indebtedness have been made.
- (b) In the event that a discharge of any Lien held by a chartered bank, trust company, credit union, insurance company or other financial institution is not available in registrable form on Closing, the Purchasers agree to accept the Vendor's solicitors' undertaking to obtain a discharge of such Lien in registrable form and to register the same within 30 days after the Closing, provided that on or before the Closing, the Vendor shall provide to the Purchasers a payout statement prepared by the secured creditor setting out the balance required to obtain the discharge, together with a direction executed by the Vendor directing payment to the secured creditor of the amount required to obtain the discharge out of the balance due on the Closing.

11.1.4 Deliveries

At the Closing Time the Purchasers shall have received:

- (a) all documents necessary to effect the assignment of the Purchased Assets and Assumed Contracts; and
- (b) original copies of all promissory notes related to the Purchased Assets and Assumed Contracts.

11.2 Waiver of Conditions

The Purchasers may waive, in whole or in part, at any time by notice in writing to the Vendor, any condition in Article 9 which is for the benefit of the Purchasers. The Vendor may waive, in whole or in part, at any time by notice in writing to the Purchasers, any condition in Article 10 which is for the benefit of the Vendor. No such waiver by the Purchasers or by the Vendor, as the case may be, of any condition, in whole or in part, will operate as a waiver of any other condition or of the rights of termination in favour of the Purchasers or in favour of the Vendor, as the case may be, in the event of the non-fulfilment of any other condition, in whole or in part.

ARTICLE 12 TERMINATION AND ABANDONMENT

12.1 Termination Rights

Notwithstanding anything contained in this Agreement to the contrary, at any time prior to the Closing, this Agreement may be terminated:

- (a) by the Purchasers or the Vendor, upon written notice to the other, if any Governmental Authority has not provided a consent, authorization or approval set forth, or required by the terms of this Agreement prior to the Termination Date (including the TSXV Approval);
- (b) by the Vendor, upon written notice to the Purchasers if the Closing has not occurred by the Termination Date and such failure did not result from the failure of the Vendor to fulfill any undertaking or commitment provided for herein that is required to be fulfilled by the Vendor prior to the Closing;
- (c) by the Purchasers, upon written notice given to the Vendor, if the Closing has not occurred by the Termination Date and such failure did not result from the failure of the Purchasers to fulfill any undertaking or commitment provided for herein that is required to be fulfilled by the Purchasers prior to the Closing;
- (d) by the Vendor, if the Purchasers shall have breached any of their representations, warranties, covenants or agreements set forth in this Agreement, which breach: (i) would give rise to the inability to fulfil a condition set forth in Article 10; and (ii) remains uncured on the earlier of: (A) the date which is 10 Business Days following the Purchasers' receipt of written notice thereof from the Vendor; and (B) the day immediately preceding the Termination Date;
- (e) by the Purchasers if the Vendor shall have breached any of its representations, warranties, covenants or agreements set forth in this Agreement, which breach: (i) would give rise to the inability to fulfil a condition set forth in Article 9; and (ii) remains uncured on the earlier of: (A) the date which is 10 Business Days following

the Vendor's receipt of written notice thereof from the Purchasers; and (B) the day immediately preceding the Termination Date;

- (f) by the Purchasers or the Vendor, in the event that any Order or Applicable Law becomes effective restraining, enjoining or otherwise prohibiting or making illegal the consummation of the transactions contemplated hereunder or under any of the Closing Documents, and such Order or Applicable Law is final and/or non-appealable; or
- (g) by the mutual written agreement of the Parties upon the terms of that agreement.

12.2 Effect of Exercise of Termination Rights

If this Agreement is terminated under Section 12.1, this Agreement will be of no further force or effect and the Parties will be discharged from any further obligations under this Agreement, except that Article 13 and all of the obligations thereunder will continue indefinitely and nothing in this Section 12.2 will relieve either Party of liability for any breach of this Agreement occurring prior to the termination of this Agreement.

ARTICLE 13 GENERAL

13.1 Notices

- (a) Any notice, direction or other communication (in this Section 13.1, a "notice") regarding the matters contemplated by this Agreement must be in writing and delivered personally or sent by courier or electronic mail as follows:

- (i) in the case of the Vendor, to:

Pivot Financial Inc.
25 Price Street
Toronto, ON M4W 1Z1
Attention: Ken Thomson
Email [REDACTED]

with a copy (not constituting notice) to:

Cassels Brock & Blackwell LLP
Suite 2100, 40 King Street W
Toronto, ON M5H 3C2
Attention: Jason Arbuck
Email: [REDACTED]

- (ii) in the case of the Purchasers, to:

TIMIA Capital Corp.

Suite 835 – 1100 Melville Street
Vancouver, BC V6E 4A6
Attention: Michael Walkinshaw, Chief Executive Officer
Email: [REDACTED]

with a copy (not constituting notice) to:

MLT Aikins LLP
Suite 2600, 1066 West Hastings Street
Vancouver, BC V6E 3X1
Attention: Kevin Sorochan
Email: [REDACTED]

- (b) A notice is deemed to be delivered and received: (i) if delivered personally or by electronic mail, on the date of delivery if delivered prior to 5:00 p.m. (recipient's time) on a Business Day and otherwise on the next Business Day; (ii) if sent by same-day courier, on the date of delivery if delivered prior to 5:00 p.m. (recipient's time) on a Business Day and otherwise on the next Business Day; or (iii) if sent by overnight courier, on the next Business Day
- (c) A Party may change its address for service from time to time by notice given in accordance with the foregoing provisions.

13.2 Waiver

Except as otherwise expressly set out herein, no waiver of any provision of this Agreement shall be binding unless it is in writing. No indulgence, forbearance or other accommodation by a Party shall constitute a waiver of such Party's right to insist on performance in full and in a timely manner of all covenants in this Agreement or in any document delivered pursuant to this Agreement. Waiver of any provision shall not be deemed to waive the same provision thereafter, or any other provision of this Agreement at any time.

13.3 Severability

If any provision of this Agreement or portion thereof or the application thereof to any Person or circumstance shall to any extent be illegal, invalid or unenforceable: (a) the remainder of this Agreement or the application of such provision or portion thereof to any other Person or circumstance shall not be affected thereby; and (b) the Parties will negotiate in good faith to amend this Agreement to implement the intentions set forth in this Agreement. If the Parties cannot agree on an appropriate amendment, any Party may refer the matter for determination pursuant to and in accordance with Section 8.13. Each provision of this Agreement shall be legal, valid and enforceable to the fullest extent permitted by law.

13.4 Assignment and Enurement

Neither this Agreement nor any benefits or burdens under this Agreement shall be assignable by any Party, without the prior written consent of each of the other Parties. Subject to the foregoing, this Agreement shall enure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns hereunder.

13.5 Expenses

Each Party to this Agreement shall pay its respective legal, accounting and other professional advisory fees, costs and expenses incurred in connection with the negotiation, preparation and execution of this Agreement and all documents and instruments executed or delivered pursuant to this Agreement, as well as any other fees, costs and expenses incurred, unless otherwise specifically set out in this Agreement.

13.6 Further Assurances

The Parties shall do all such things and provide all such reasonable assurances as may be required to consummate the transactions contemplated by this Agreement, and each Party shall provide such further documents or instruments required by any other Party as may be reasonably necessary or desirable to effect the purpose of this Agreement and carry out its provisions.

13.7 Jurisdiction

Each of the Parties to this Agreement irrevocably submits to the non-exclusive jurisdiction of the courts of the Province of Ontario.

13.8 Service

If either Party is or becomes a party on which service or legal process with respect to an action commenced in the Province of Ontario must be served out of the jurisdiction of the Province of Ontario (an “**Ex Juris Party**”), the Ex Juris Party shall in writing to the other Party designate, appoint and empower a party or agent within the Province of Ontario to receive for and on behalf of the Ex Juris Party service of process in the Province of Ontario in any legal action or proceeding with respect to this Agreement, which agent shall undertake to enter an unconditional appearance within 30 days after such service. A copy of such process served on the agent will be promptly forwarded by mail by the Party initiating such proceedings to the Ex Juris Party at the address referred to in the next sentence. Failure of the Ex Juris Party to receive such copy shall not affect in any way the service of such process on the Ex Juris Party by service upon its agent for service as designated above. Each Party agrees that if it becomes an Ex Juris Party and it fails to maintain such a duly appointed agent for service of process, it irrevocably consents to the service of process out of any court of the Province of Ontario by mailing all copies of such process by registered or certified mail, postage prepaid to the last address designated for delivery of notice to such Ex Juris Party under the terms of Section 13.1(a) such service to

be effective 30 days after such mailing. The mailing to such Ex Juris Party at such address shall be deemed personal service and acceptance of service by such Ex Juris Party for any action or proceeding with respect to any matter relating to this Agreement. Service in accordance with the foregoing provisions shall not preclude any other manner of service permitted by Ontario law.

13.9 Public Notices

No press release, public statement or announcement or other public disclosure regarding this Agreement or the transactions contemplated by this Agreement may be made without the prior written consent and joint approval of the Parties, except if required by Applicable Laws, a Governmental Authority or an applicable stock exchange rule. If disclosure is required by Applicable Laws, a Governmental Authority or applicable stock exchange rule, the Party that is required to make the disclosure shall, without unreasonable delay, notify the other Parties of the requirement before any disclosure is made and make reasonable efforts to obtain the approval of the other Parties as to the form, nature and extent of the disclosure.

13.10 Third Party Beneficiaries

Except as otherwise provided in Section 8.4, the Vendor and the Purchasers intend that this Agreement will not benefit or create any right or cause of action in favour of any Person, other than the Parties. Except for the Indemnified Parties, no Person, other than the Parties, shall be entitled to rely on the provisions of this Agreement in any action, suit, proceeding, hearing or other forum. Despite the foregoing, the Vendor acknowledges to each of the Purchasers' Indemnified Parties their direct rights against it under Section 8.4 of this Agreement and the Purchasers acknowledge to each of the Vendor's Indemnified Parties their direct rights against it under Section 8.4 of this Agreement. To the extent required by Applicable Laws to give full effect to these direct rights, the Vendor and the Purchasers agree and acknowledge that they are acting as agent and/or as trustee of their respective Indemnified Parties. The Parties reserve their right to vary or rescind the rights at any time and in any way whatsoever, if any, granted by or under this Agreement to any Person who is not a Party, without notice to or consent of that Person, including any Indemnified Parties.

13.11 No Strict Construction

The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event any ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties, and no presumption or burden of proof shall arise favouring or disfavouring either Party by virtue of the authorship of any provision of this Agreement.

13.12 Waiver of Jury Trial

Each of the Parties hereby waive, to the fullest extent permitted by Applicable Laws, any right they may have to a trial by jury in respect of any litigation as between the Parties directly or indirectly arising out of under or in connection with this Agreement or the transactions contemplated hereby or disputes relating hereto. Each of the Purchasers and the Vendor: (a) certifies that no representative, agent or attorney of the other Party has represented, expressly or otherwise that such other Party would not, in the event of litigation, seek to enforce the foregoing waiver; and (b) acknowledges that it and the other Party have been induced to enter into this Agreement by, among other things, the mutual waivers and certifications in this Section 13.12.

13.13 Language

The Parties confirm that it is their wish that this Agreement, as well as any other documents relating to this Agreement, including Notices, Schedules and authorizations, have been and shall be drawn up in the English language only. Les Parties aux présentes confirment leur volonté que cette convention, de même que tous les documents, y compris tous avis, annexes et autorisations s’y rattachant, soient rédigés en anglais seulement.

13.14 Execution by Electronic Transmission

The signature of any of the Parties may be evidenced by a facsimile, scanned email or internet transmission copy of this Agreement bearing such signature.

13.15 Counterparts

This Agreement may be signed in one or more counterparts, each of which so signed shall be deemed to be an original, and such counterparts together shall constitute one and the same instrument. Notwithstanding the date of execution or transmission of any counterpart, each counterpart shall be deemed to have been executed as of the Effective Date.

[REMAINDER OF PAGE INTENTIONALLY BLANK—SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF the Parties have duly executed this Agreement as of the Effective Date.

TIMIA CAPITAL CORP.

Per: "Michael Walkinshaw"
Authorized Signatory
Print name: Michael Walkinshaw
Title: Chief Executive Officer

**PIVOT FINANCIAL I LIMITED
PARTNERSHIP** by and through its general
partner **2862454 ONTARIO INC.**

Per: "Andrew Abouchar"
Authorized Signatory
Print name: Andrew Abouchar
Title: Director

PIVOT FINANCIAL INC.

Per: "Kenneth Thomson"
Authorized Signatory
Print name: Kenneth Thomson
Title: Director

Schedule 3.4

Investor Rights and Voting Agreement

INVESTOR RIGHTS AND VOTING AGREEMENT

THIS INVESTOR RIGHTS AGREEMENT is made as of the ____ day of _____, 2021.

BETWEEN:

PIVOT FINANCIAL INC., a corporation amalgamated under the *Business Corporations Act* (Ontario) and having its registered and records office at 25 Price Street, Toronto, ON M4W 1Z1

("Pivot")

AND:

TIMIA CAPITAL CORP., a company incorporated under the *Business Corporations Act* (British Columbia) and having its registered and records office at Suite 2600, 1066 W. Hastings Street, Vancouver, BC V6E 3X1

("TIMIA")

RECITALS:

- A. TIMIA and Pivot has entered into an asset purchase agreement (the "**Purchase Agreement**"), pursuant to which TIMIA will, through an affiliate, acquire substantially all of the assets, property and undertaking relating to the business of Pivot for consideration consisting of the Consideration Shares (as defined herein), on the terms and subject to the conditions set forth in the Purchase Agreement (the "**Transaction**"); and
- B. as a condition to the willingness of TIMIA and Pivot to enter into the Purchase Agreement and incur the obligations set forth in the Purchase Agreement, TIMIA and Pivot have agreed to enter into this Agreement.

NOW THEREFORE in consideration of the mutual covenants and agreements contained in this Agreement and other good and valuable consideration (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1 INTERPRETATION

Section 1.1 Defined Terms

For the purposes of this Agreement (including the recitals and the Schedules hereto), unless the context otherwise requires, the following terms shall have the respective meanings set out below and grammatical variations of such terms shall have corresponding meanings:

"**Agreement**" means this Investor Rights and Voting Agreement, as may be supplemented or amended from time to time;

"**Affiliate**" means, with respect to any specified Person, any other Person which directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such specified Person;

"**Business Day**" means any day of the year, other than a Saturday, Sunday or any day on which major banks are closed for business in Vancouver, British Columbia;

"Closing Date" has the meaning ascribed thereto in the Purchase Agreement;

"Common Shares" mean the common shares in the capital of TIMIA;

"Consideration Shares" mean the Common Shares and Preferred Shares issued to Pivot under the Purchase Agreement;

"control" when used to describe a relationship between one Person and any other Person, has the following meanings:

- (a) a Person controls a body corporate if securities of the body corporate to which are attached more than 50% of the votes that may be cast to elect directors of the body corporate are beneficially owned by the Person and the votes attached to those securities are sufficient, if exercised, to elect a majority of the directors of the body corporate;
- (b) a Person controls an unincorporated entity, other than a limited partnership, if more than 50% of the ownership interests, however designated, into which the entity is divided are beneficially owned by that Person and the Person is generally able to direct the business and affairs of the entity;
- (c) a general partner of a limited partnership controls the limited partnership;
- (d) a Person who controls an entity is deemed to control any entity that directly or indirectly is controlled, or deemed to be controlled, by the entity; and
- (e) a Person is deemed to beneficially own, for the purposes of subparagraphs (a) or (b):
 - (i) any securities of the entity that are beneficially owned by that Person; and
 - (ii) any securities of the entity that are beneficially owned by any entity directly or indirectly controlled by that Person,

and the terms **"controls"** and **"controlled"** have corresponding meanings;

"Exchange" means the TSX Venture Exchange, or any other stock exchange upon which the Common Shares may be listed;

"Notice" has the meaning ascribed thereto in Section 7.1;

"Notice of Sale" has the meaning ascribed thereto in Section 6.1(1);

"Parties" means Pivot and TIMIA, and **"Party"** means any one of them;

"Person" means and includes any individual, partnership, limited partnership, limited liability partnership, corporation, limited liability company, unlimited liability company, joint stock company, trust, unincorporated association, joint venture or other entity or governmental entity, and pronouns have a similarly extended meaning;

"Preferred Shares" means the 8% Series A Preferred shares in the capital of TIMIA;

"Purchase Agreement" has the meaning ascribed thereto in Recital A;

"Sale Shares" has the meaning ascribed thereto in Section 3.3(1); and

"Transaction" has the meaning ascribed thereto in Recital A.

Section 1.2 Currency

Unless otherwise indicated, in this Agreement "\$" or "Dollars" each means dollars which are the lawful currency of the Canada.

Section 1.3 Gender and Number

Any reference in this Agreement to gender includes all genders. Words importing the singular number only include the plural and vice versa.

Section 1.4 Headings, etc.

The division of this Agreement into Articles, Sections and other subdivisions and the insertion of headings are for convenient reference only and do not affect its interpretation.

Section 1.5 Certain Phrases, etc.

In this Agreement (i) the words "including", "includes" and "include" mean "including (or includes or include) without limitation" and (ii) the words "the aggregate of", "the total of", "the sum of", or a phrase of similar meaning means "the aggregate (or total or sum), without duplication, of". The expressions "Recital", "Article", "Section" and other subdivisions followed by a number mean and refer to the specified Recital, Article, Section or other subdivision of this Agreement. In the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

**ARTICLE 2
NATURE OF AGREEMENT**

Section 2.1 No Partnership

Nothing in this Agreement will be deemed to constitute a legal partnership, agency or similar relationship between the Parties, or to authorize any Party to bind the other. Except as provided herein or as the Parties may otherwise agree, each Party shall have the right to engage in and receive the full benefits from any independent business activities or operations, whether or not competitive with the business activities and operations carried on by the other Party, without consulting with, or incurring any obligation to, the other Party, and each Party will be free to pursue and derive the benefits of all such future business opportunities as such Party sees fit without reference to or restriction by doctrines of "corporate opportunity" or "business opportunity" or other similar doctrines, all of which the Parties expressly agree shall not apply to the Parties in their dealings with each other.

**ARTICLE 3
REPRESENTATIONS AND WARRANTIES**

Section 3.1 Representations and Warranties of Pivot

Pivot represents and warrants to TIMIA as follows and acknowledges and confirms that TIMIA is relying on such representations and warranties in entering into this Agreement:

- (a) **Corporate Power.** Pivot is a corporation duly formed and validly existing under the laws of the Province of Ontario and has all requisite corporate power and authority to enter into and deliver this Agreement and to perform its obligations under this Agreement;
- (b) **Conflict with Other Instruments.** The execution and delivery by Pivot and the performance by Pivot of its obligations under, and compliance with the terms, conditions and provisions of, this Agreement will not conflict with or result in a breach of: (i) its constating documents, (ii) any applicable law, rule or regulation, (iii) any agreement or instrument to which it is a party or by which it is bound or by which any of its properties or assets are bound, or (iv) any judgment, injunction, determination or award which is binding on it;
- (c) **Corporate Action.** The execution and delivery of this Agreement by Pivot and the performance of its obligations under this Agreement have been duly authorized by all necessary corporate action on the part of Pivot; and
- (d) **Execution and Binding Obligation.** This Agreement has been duly executed and delivered by Pivot and constitutes a legal, valid and binding obligation of Pivot enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization and other laws of general application limiting the enforcement of creditors' rights generally, and to the fact that specific performance is an equitable remedy available only in the discretion of the court.

Section 3.2 Representations and Warranties of TIMIA

TIMIA represents and warrants to Pivot as follows and acknowledges and confirms that Pivot is relying on such representations and warranties in entering into this Agreement:

- (a) **Corporate Power.** TIMIA has been duly formed and is validly existing under the laws of the Province of British Columbia and has all requisite corporate power and authority to enter into and deliver this Agreement and to perform its obligations under this Agreement;
- (b) **Conflict With Other Instruments.** The execution and delivery by TIMIA and the performance by it of its obligations under, and compliance with the terms, conditions and provisions of, this Agreement will not conflict with or result in a breach of: (i) its articles, (ii) any applicable law, rule or regulation, (iii) any agreement or instrument to which TIMIA is a party or by which it is bound or by which any of its properties or assets are bound, or (iv) any judgment, injunction, determination or award which is binding on it;
- (c) **Corporate Action.** The execution and delivery of this Agreement by TIMIA and the performance by TIMIA of its obligations under this Agreement have been duly authorized by all necessary corporate action on the part of TIMIA; and
- (d) **Execution and Binding Obligation.** This Agreement has been duly executed and delivered by TIMIA and constitutes a legal, valid and binding obligation of TIMIA enforceable against it in accordance with its terms subject to applicable bankruptcy, insolvency, reorganization and other laws of general application limiting the enforcement of creditors' rights generally and to the fact that specific performance is an equitable remedy available only in the discretion of the court.

TRANSFER OF COMMON SHARES

Section 3.3 Notice of Sale

- (1) Beginning on the Closing Date and ending on the date that is 24 months after that date, if Pivot wishes to sell, at any one time, any of the Consideration Shares in excess of 10,000 Common Shares and/or 1,000 Preferred Shares, it shall deliver a notice in writing to TIMIA (the "**Notice of Sale**") at least five Business Days prior to the intended completion date of such sale of the intention to sell and the number of Common Shares and/or Preferred Shares that Pivot wishes to sell (the "**Sale Shares**").
- (2) Upon the Notice of Sale being given, TIMIA shall first have the right to try and place all or a portion of the Sale Shares within five Business Days after the Notice of Sale is deemed to have been received.
- (3) If TIMIA does not place all of the Sale Shares pursuant to Section 3.3(2) above, then Pivot shall have the right to sell the Sale Shares pursuant to applicable securities laws and other applicable laws within the next succeeding 30 days thereafter, and shall not be required to deliver any subsequent Notice of Sale to TIMIA in respect of such Sale Shares within such 30 days. Any Sale Shares remaining unsold by Pivot at the end of such 30 day period, shall again be subject to the provisions of Section 3.3.

Section 3.4 Orderly Sales

Beginning on the Closing Date and ending on the date that is 24 months after that date, if Pivot intends to sell any Consideration Shares on the Exchange, it agrees to not sell during any one single trading day Common Shares in excess of 20% of the five day average daily trading volume for the immediately prior five trading days.

ARTICLE 4 VOTING SUPPORT

Section 4.1 Investor Voting Support

- (1) Until the date which is 24 months following the Closing Date, Pivot covenants and agrees:
 - (a) to be present in person or represented by proxy (in respect of all Common Shares beneficially owned, or over which control or direction is exercised, by Pivot) at all meetings of shareholders of TIMIA for the purpose of determining the presence of a quorum at such meetings;
 - (b) to vote all Common Shares beneficially owned, or over which control or direction is exercised, by Pivot at each meeting of shareholders of TIMIA in favour of all matters proposed by management of TIMIA, which, in the interest of clarity, includes any director nominations by management of TIMIA;
 - (c) that it will not, and will not permit any entity under its control, to, deposit any of the Common Shares beneficially owned, or over which it exercises control or direction, into a voting trust or subject any of the Common Shares beneficially owned, or over which it exercises control or direction, to any arrangement or agreement with respect to the voting of such securities, other than pursuant to this Agreement; and

- (d) that it will not, and will not permit any entity under its control, to: (a) solicit proxies, or become a participant in a solicitation in opposition to, or competition with, any matter proposed by management of TIMIA at any meeting of shareholders of TIMIA; (b) assist any person, entity or group in taking or planning any action that would compete with, restrain or otherwise serve to interfere with or inhibit any matter proposed by management of TIMIA at any meeting of shareholders of TIMIA; or (c) act jointly or in concert with others with respect to voting securities of TIMIA for the purpose of opposing or competing with the any matter proposed by management of TIMIA at any meeting of shareholders of TIMIA.
- (2) Notwithstanding the above, the obligations of Pivot set out in Section 4.1(1) will cease to apply in the event of:
- (a) any transaction whereby over 50% of the TIMIA's outstanding voting securities or its assets are to be acquired by any third party or parties as a result of such transaction;
 - (b) any transaction with any person holding 20% or more of the outstanding securities or who is otherwise considered a "control person" (within the meaning of the *Securities Act* (British Columbia)) of TIMIA;
 - (c) TIMIA is not in compliance with this Agreement; or
 - (d) TIMIA is not in compliance with the Purchase Agreement.

ARTICLE 5 RESTRICTIONS ON TRANSFER OF CONSIDERATION SHARES

Section 5.1 Resale Restrictions

- (1) Following the Closing Date, except as specifically contemplated by the Purchase Agreement or permitted in Section 5.1(2) or Section 5.1(3), Pivot agrees not to, in any manner, directly or indirectly, sell, assign, transfer, hypothecate, pledge or otherwise encumber ("**Transfer**") the Consideration Shares until the date that is:
- (a) four months and a day following the Closing Date, with respect to 10% of the Consideration Shares;
 - (b) six months following the Closing Date, with respect to 20% of the Consideration Shares;
 - (c) nine months following the Closing Date with respect to 30% of the Consideration Shares; and
 - (d) 12 months following the Closing Date, with respect to all of the Consideration Shares.
- (2) Notwithstanding Section 5.1(1), Pivot shall be permitted to Transfer and/or tender any of the Consideration Shares to a Person making a formal take-over bid for all outstanding Common Shares or Preferred Shares of TIMIA, a purchase of all or substantially all of the assets of TIMIA, plan of arrangement, acquisition, merger or similar material transaction which results in a change of control of TIMIA (each a "**Control Transaction**"); provided that if the Control Transaction is not completed for any reason, such Consideration Shares shall continue to be subject to Section 5.1(1).
- (3) Notwithstanding Section 5.1(1), Pivot shall be permitted to Transfer the Consideration Shares or the beneficial ownership of, or any interest in the Consideration Shares or in any certificate

evidencing the Consideration Shares in the following circumstances: (i) to any affiliates of Pivot, any family members of Ken Thomson, or any company, trust or other entity owned by or maintained for the benefit of Ken Thomson or any family members of Ken Thomson, (ii) Transfers occurring by operation of law or in connection with transactions arising as a result of the death or incapacitation of Ken Thomson, (iii) Transfers to charitable organizations pursuant to bona fide gifts, or (iv) pledges of the Consideration Shares as security for bona fide indebtedness of Pivot or Ken Thomson; provided, in each of (i), (ii), (iii) and (iv) that any such transferee or pledgee shall first agree with TIMIA in writing prior to the Transfer to be bound by the terms of this Agreement.

ARTICLE 6 TERMINATION

Section 6.1 Termination

- (1) This Agreement shall automatically terminate on the date that is 24 months following the Closing Date and may be terminated earlier:
 - (a) at any time by written agreement of the Parties;
 - (b) by either Party by providing notice in writing in the event of a breach of the terms of this Agreement by the other Party, provided that the breaching Party shall have 5 Business Days to cure any such breach; and
 - (c) by either Party by providing notice in writing in the event of a breach of the terms of the Purchase Agreement by the other Party, subject to the cure provisions in the Purchase Agreement.
- (2) Upon termination of this Agreement, each Party shall no longer thereafter have any further liability or obligation to the other Party under this Agreement, excepting any claims, liabilities or damages that arose under this Agreement prior to the date of termination.

ARTICLE 7 MISCELLANEOUS

Section 7.1 Notices.

Any notice, direction or other communication (each a "**Notice**") given regarding the matters contemplated by this Agreement must be in writing, sent by personal delivery, courier or email transmission and addressed:

- (a) If to TIMIA:

TIMIA Capital Corp.
Suite 835 – 1100 Melville Street
Vancouver, BC V6E 4A6

Attention: Michael Walkinshaw, Chief Executive Officer
Email: [REDACTED]

with a copy to:

MLT Aikins LLP
Suite 2600, 1066 West Hastings Street

Vancouver, BC V6E 3X1

Attention: Kevin Sorochan
Email: [REDACTED]

(b) If to Pivot

Pivot Financial Inc.
25 Price Street
Toronto, ON M4W 1Z1

Attention: Ken Thomson
Email: [REDACTED]

with a copy to:

Cassels Brock & Blackwell LLP
Suite 2100, 40 King Street W
Toronto, ON M5H 3C2

Attention: Jason Arbuck
Email: [REDACTED]

A Notice is deemed to be delivered and received (i) if sent by personal delivery or courier, on the date of delivery if it is a Business Day and the delivery was made prior to 4:00 p.m. (local time in the place of receipt) and otherwise on the next Business Day, and (ii) if transmitted by email, on the Business Day following the date of the email message. Any Party may change its address for service from time to time by providing a Notice in accordance with the foregoing. Any subsequent Notice must be sent to the Party at its changed address. Any element of a Party's address that is not specifically changed in a Notice will be assumed not to be changed.

Section 7.2 Amendments.

This Agreement may only be amended, supplemented or otherwise modified by written agreement executed by the Parties.

Section 7.3 Waiver.

No waiver of any of the provisions of this Agreement will constitute a waiver of any other provision (whether or not similar). No waiver will be binding unless executed in writing by the Party to be bound by the waiver. A Party's failure or delay in exercising any right under this Agreement will not operate as a waiver of that right. A single or partial exercise of any right will not preclude a Party from any other or further exercise of that right or the exercise of any other right it may have.

Section 7.4 Entire Agreement.

This Agreement, together with the Purchase Agreement, constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the Parties with respect to the subject matter hereof. There are no representations, warranties, covenants, conditions or other agreements, express or implied, collateral, statutory or otherwise, between the Parties in connection with the subject matter of this Agreement except as specifically set forth in this Agreement. The Parties have not relied and are not relying on any other information, discussion or understanding in entering into and completing the transactions contemplated by this Agreement.

Section 7.5 Successors and Assigns.

- (1) This Agreement is binding upon and will enure to the benefit of the Parties and their respective successors and permitted assigns.
- (2) Neither this Agreement nor any of the rights or obligations under this Agreement are assignable or transferable by any Party without the prior written consent of the other Party, which consent shall not be unreasonably withheld or delayed, except that Pivot may assign or transfer its rights or obligations under this Agreement to an Affiliate thereof, upon 5 Business Days' written notice to TIMIA.

Section 7.6 Severability

If any provision of this Agreement is determined to be illegal, invalid or unenforceable, by an arbitrator or any court of competent jurisdiction from which no appeal exists or is taken, that provision will be severed from this Agreement and the remaining provisions will remain in full force and effect.

Section 7.7 Governing Law.

This Agreement shall be governed by and construed in accordance with the laws of British Columbia and the laws of Canada applicable therein.

Section 7.8 Attornment.

For the purpose of all legal proceedings this Agreement will be deemed to have been performed in British Columbia, Canada and the courts of the Province of British Columbia will have jurisdiction to entertain any action arising under this Agreement. The Parties each attorn to the jurisdiction of the courts of the Province of British Columbia.

Section 7.9 Public Disclosure.

The Parties acknowledge that TIMIA will be required to file this Agreement on SEDAR as a material contract. Prior to doing so, TIMIA will provide Pivot with a reasonable opportunity to comment as to whether any provisions are of such a nature that they can, under Canadian securities laws, be redacted from this Agreement prior to filing and will give reasonable consideration to any such comments. Subject to the foregoing, all press releases and other public disclosure will be mutually coordinated and any Party required to make disclosure as aforesaid will, to the extent reasonably possible, give the other Party advance notice thereof, together with a copy or other particulars of the disclosure intended to be made.

Section 7.10 Counterparts.

This Agreement may be executed in any number of counterparts (including counterparts by facsimile or other electronic means) and all such counterparts taken together will be deemed to constitute one and the same instrument.

[Signature page to immediately follow]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above.

PIVOT FINANCIAL INC.

By: _____

Name:

Title:

TIMIA CAPITAL CORP.

By: _____

Name:

Title:

Signature page to Investor Rights Agreement

